

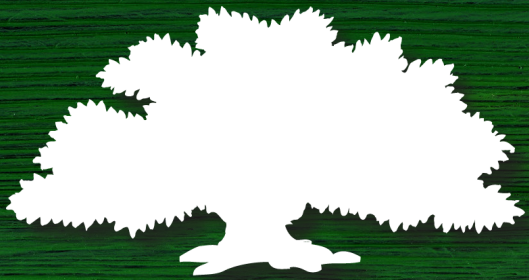


Rochester, NH



Dover, NH

2020



HRCU

Better, Not Bigger Banking[®]

Annual Report



Farmington, NH



York County, ME

Board Chairman's Message

2020 was an extremely challenging year to say the least, due to the pandemic. What many thought would be over in a few weeks, possibly months, finally seems to be on the down side more than a year after the first cases of the COVID-19 virus were diagnosed in the United States. Our management team and staff had to adapt to doing business like no one had ever imagined. One thing we have always taken great pride in is being there for our members whenever they need us. And while many members prefer a face-to-face interaction, the virus made it impossible for a period of time. It was necessary for the call center and drive-ups to ramp up in order to accommodate members' needs when lobbies had to be closed. The dedication of the front-line staff did 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 with a great attitude and professionalism during these very trying times.

Along with management and staff, we would like to thank you, our dedicated members for your continued loyalty, patience, understanding and support during all of this. Your dedication to the credit union was unwavering. In spite of all the challenges, 2020 was a very good year financially for our credit union. We saw unprecedented growth with assets approaching \$360 million and memberships have grown in excess of 22,000. The loyalty of our members remains very strong, as does the loyalty, commitment, and dedication of the volunteers and management that serve the credit union and its members.

It gives me great pleasure to recognize the dedication of management and staff at the credit union and assure you that their commitment to our credit union, its purpose, and their working relationship with the board is second to none. The volunteers serve because of their belief in the credit union philosophy and their desire to make Holy Rosary Credit Union the best financial institution available to its members. I would like to thank them for the time and effort they put forth for our credit union and its members.

**Dana R. Flanders,
Board Chairman**



**Dana R. Flanders
Board Chairman**

President's Message

Sunday, March 15, 2020 was my very first Zoom call with the management team to discuss how operations were about to change. We were going into a "lockdown" but we had to stay open. In the blink of an eye, we became "Essential Workers".

We all know what happened from there. Drive-up only, lobby appointments – only if it was urgent and video calls on Teams, Zoom, Webex, Ring Central, Skype and Google Meet – how many are there? It was amazing and scary what was happening. Through it all, our staff was simply quite amazing. They rose to the challenge and became the glue that was holding it all together. They took being an essential worker very seriously. It was our job to make sure members had full access to their funds, could replace a lost debit card, apply for loans, provide government regulated loan forbearances, mortgage modifications, and of course, PPP loans.

We were not alone in this. I also look back to see how the New Hampshire credit unions all worked together to help each other work through operational challenges. Weekly CEO calls focused on making sure all our members were taken care of and helping each other talk through lobby closures, staffing challenges, mask wearing and innovative ideas to serve members. I feel confident, speaking on behalf of all the NH credit union CEOs, we are all very lucky to have a credit union system in New Hampshire whose primary goal is to do what is right for our members and even as occasional competitors – right for each other.

Financially, HRCU ended with a very strong year due to sound decision making by our board and management staff. Assets, loans and deposits all reached new highs. Contribution to capital kept pace with our growth mostly due to reduced operating expenses while interest rates were hitting lows not seen before. HRCU remains "well capitalized" per NCUA regulations, the highest rating the federal insurer gives.

In June, we converted our Online and Mobile Banking to one of the most innovative and top-rated platforms in today's market. And we did it 100% remote! In fact, we were the first remote conversion our new vendor did. Timing turned out to be perfect. HRCU was now well prepared to handle the burst of online traffic. ATM/ITM (Interactive Teller Machine) use and mobile deposits showed impressive increases. In 2019, combined electronic deposits totaled \$19.5 million. In 2020, combined deposits on those platforms rose to over \$42 million, and the volume has not stopped since lobbies have been reopened. ITMs have also done extremely well with transaction volume tripling since the pandemic hit. Currently we have five ITMs in service with more being planned for 2021 and beyond.

Though all this, our community commitment remained strong with over \$100,000 was donated to not for profits. Our college scholarship program also continued and now stands at over \$230,000 contributed. A new Spaulding High School branch was opened to serve students, teachers and the public. The banking class had to be put on hold in person but continued online. HRCU and the Rochester Opera House finalized a deal in downtown Rochester that has already begun to help revitalize the downtown. We will be excited to share more news on the Rochester Performance and Arts Center (RPAC) in 2021.

Getting through 2020 was a big challenge. Possibly unsung through all this is our Board of Directors and Supervisory Committee. All community volunteers have remained committed to helping in any way they could. And help they did. Their support meant a great deal to the management team and staff. We have much more ahead in 2021 and we have an amazing team at HRCU, along with new managers and staff hired in 2020 that will bring a lot of excitement, expertise and energy to our future plans. Our mission and purpose come down to serving our community and will be stronger than ever. There will be no slowing down in 2021.

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



**Brian F. Hughes
President & CEO**

Supervisory Committee Report

Our mission is to protect the financial interests of our members. We met our responsibility in the following ways:

- A Safety and Soundness Examination was conducted by the New Hampshire State Banking Department.
- An external audit was conducted by the firm of GT Reilly ensuring that HRCU's financial statements were accurate and met banking laws and regulations.
- Multiple Internal audits were conducted by the firm of MacPage/Wipfli.
- An Information Technology Department audit was conducted by the firm of MacPage/Wipfli.
- A monthly financial report was presented to the committee by our CFO.
- We reviewed and approved HRCU's financial reconciliations.
- We reviewed and approved quarterly teller audits of all branches.
- We reviewed and approved monthly Visa credit card expenditures by management.
- We reviewed and approved new and closed accounts monthly.
- We monitored travel/conference expenditures by management and volunteers.

In summary, HRCU is in excellent financial condition guided by its mission of "Better, Not Bigger Banking".

**Robert P. Langelier,
Chairman, Supervisory Committee**



**Robert P. Langelier
Chairman,
Supervisory
Committee**

STATEMENT OF FINANCIAL CONDITION

(As of December 31, 2020)

ASSETS	2020	2019
Loans to Members	\$ 219,822,533	\$ 218,890,250
Allowance for Loan Losses	(1,217,767)	(982,391)
Net Loans to Members	\$ 218,604,766	\$ 217,907,859
Cash & Equivalents	60,852,608	18,869,855
Investments	62,504,136	56,218,738
Fixed Assets	6,859,151	7,357,666
Accrued Loan Interest	634,450	647,060
Other Assets	7,099,626	7,119,856
NCUSIF Deposit	2,961,562	2,583,548
Total Assets	\$ 359,516,299	\$ 310,704,582

LIABILITIES & EQUITY

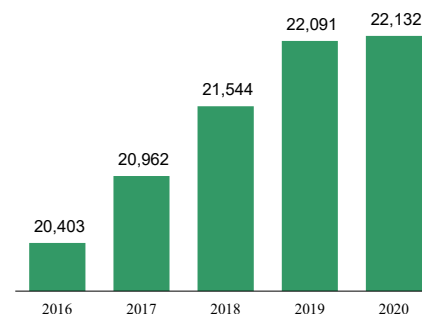
Member Deposits	328,601,780	281,117,728
Notes Payable	0	0
Other Liabilities	2,061,492	2,217,248
Regular Reserves	2,125,672	2,125,672
Undivided Earnings	26,707,970	25,233,254
Unrealized Gain (Loss) on AFS Investments	19,385	10,680
Total Liabilities & Equity	\$ 359,516,299	\$ 310,704,582

STATEMENT OF INCOME

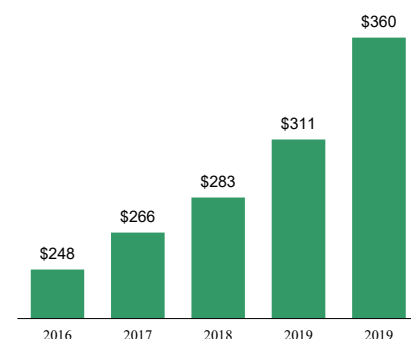
(Year-to-Date)

INCOME	2020	2019
Interest on Loans	\$ 10,088,128	\$ 10,236,848
Interest on Investments	1,274,780	1,246,743
Other Income	3,850,426	3,987,096
Total Operating Income	\$ 15,213,334	\$ 15,470,687
LESS		
Compensation and Benefits	5,557,450	5,840,454
Other Operating Expenses	5,553,969	5,371,194
Total Operating Expenses	\$ 11,111,419	\$ 11,211,648
Dividends and Interest Expense	2,061,731	2,551,489
Provision for Loan Losses	662,107	612,871
NCUA Assessments	0	(33,138)
Non-Operating Gains (Losses)	96,639	258,119
Net Contribution to Capital	\$ 1,474,716	\$ 1,385,936

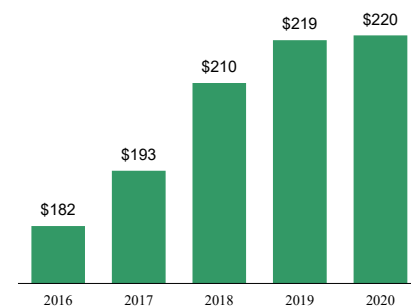
Members



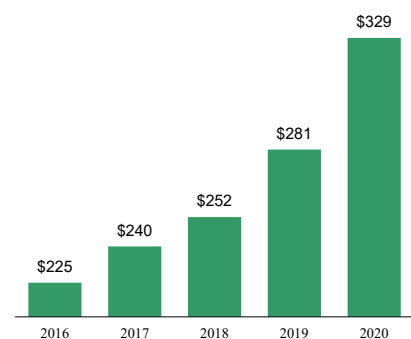
Assets (in millions)



Loans (in millions)



Deposits (in millions)



Year In Review



Field Of Membership Expanded to York County, ME

For years, HRCU membership has been available to those who live, work, attend school in, or worship in the state of New Hampshire. This year, we were happy to expand our reach into York County, Maine!

Ribbon Cutting At Spaulding High School

In January, President & CEO Brian Hughes joined members of the Rochester community for a ribbon-cutting to celebrate the opening of the renovated Richard W. Creteau Technology Center. The re-done space now features a brand new HRCU branch and classroom located at the front of the Tech Center.



New Digital Banking Platform Launched

In June, after much planning and behind-the-scenes work, we were excited to roll out a brand new online & mobile banking platform to our members. This award winning Alkami platform that we chose is truly state-of-the-art and unified our online banking system with our HRCU Mobile app for the first time. We hope your experiences have all been great so far!



Rochester Main Office Hosts Flu Shot Clinic

While keeping members and staff safe is always a priority, the ongoing global pandemic has made us all think about it just a bit more. For this reason we were pleased to be able to offer a free drive-up flu shot clinic to our members this September at the Rochester Main Office. Thank you for a great turnout. We hope you all continue to stay safe & stay well!



THANK YOU TO OUR FRONTLINE WORKERS

In An Unprecedented Year, You Were All There When Members Needed You



JA In A Day

In February, HRCU and Junior Achievement (JA) “took over” School Street School in Rochester, N.H for a program called “JA in a Day”. Instead of a regular school day, HRCU volunteers taught important financial lessons to 80 students in their classroom.



Make-A-Wish New Hampshire

This Spring, the New Hampshire Credit Unions presented a \$125,000 donation to its charitable partner, Make-A-Wish New Hampshire, an organization that grants the wishes of children with critical illnesses. The amount raised marks a 24-year total of more than \$3.1 million raised by the state’s 15 credit unions, members of the Cooperative Credit Union Association (CCUA). The New Hampshire Credit Unions remain the largest corporate partner of Make-A-Wish New Hampshire.

Amazing Masks

This past September, HRCU donated copies of the book “Amazing Masks” written by William Allen School 2nd Grade Teacher Jennifer Brock, to Rochester Elementary schools, as well as, local pediatric offices, dentists, daycares, and the Rochester Library.



Dover Mental Health Alliance

In November, HRCU was proud to present Community Partners with a donation of \$2,500 to support the Dover Mental Health Alliance (DMHA). The DMHA is a community collaboration to educate and inform all citizens about mental health, mental illness and suicide prevention.

Community, It's Who We Are

This December, HRCU donated to 30 local non-profit organizations as a part of our seventh-annual Christmas Caring Campaign. Research was conducted by HRCU's donation committee on areas of need in the community and many of the donations that were made this year were to local organizations who work to help combat these issues all year long.

Due to the pandemic, checks were mailed to organizations in 2020 instead of holding the in-person check presentations that have traditionally been done in previous years.

The 2020 Christmas Caring Campaign included:

- Barrington Food Pantry**
- Community Action Partnership of Strafford County**
- The Community Food Pantry**
- Dover Share Fund**
- End 68 Hours of Hunger-Dover**
- End 68 Hours of Hunger-Farmington**
- End 68 Hours of Hunger-Rochester**
- Farmington Fireman's Relief Association**
- Friends in Action**
- Friends of Farmington**
- Homeless Center for Strafford County**
- Hope on Haven Hill**
- House of Hope**
- Interfaith Food Pantry**
- First Church Congregational**
- My Friend's Place**
- New Durham Food Pantry**
- Red's Good Vibes**
- Rochester NH Fire Department Toy Bank**
- SHARE Fund**
- Sober Sisters Recovery**
- Somersworth SHARE Fund**
- SOS Recovery Community Organization**
- Spaulding High School Raider Station Student Pantry**
- Strafford Nutrition Meals on Wheels**
- The Chase Home for Children**
- The Dover Fire Toy Bank**
- The Ryan Home Project**
- Triangle Club**
- We Care Food Pantry**
- York County Community Action Corporation**



2020 Annual Scholarships

On July 7th, the HRCU Scholarship Committee were pleased to award eight local high school graduates with college scholarships at a "socially distanced" presentation at our Rochester Main Office. A total of 231 scholarships totaling over \$233,000 have now been awarded to local students since the HRCU Annual Scholarship Program began in 1996.



Total Donated In 2020
\$104,205.36

Senior Management & Volunteers

Senior Management Team



Brian F. Hughes
President & CEO



Rosemary Shields
Executive VP & COO



Brian Therrien
Chief Financial Officer



Ken Mauser
Chief Information Officer



Tyler Hudson
*Senior VP of Operations
& Digital Services*



Travis Bissonnette
*VP of Member
Business Services*



Ginger Gagne
VP of Lending

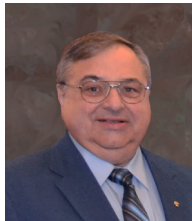
Board of Directors



Dana R. Flanders
Chairman



Ronald G. Vachon
Vice-Chairman



Paul Auger
Treasurer



Kathleen Simoneau
Secretary



Richard Brunelle



Richard Falardeau



Jeanne Grover



Leonard Pinault

Supervisory Committee



Robert P. Langelier
Chairman



Daniel Connelly



Constance Hamann



Matthew Lahr

Council of Trustees



Gerald Bisailon



James Brock



Robert Chasse



Normand Lanoie



Andre Therrien

Branch, ATM & ITM Locations

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

Staples Plaza ATM:

125 Washington St., Rochester, NH 03867

Milton Road Rite-Aid ATM:

105 Milton Rd., Rochester, NH 03868

Wakefield Street Rite-Aid ATM:

190 Wakefield St., Rochester, NH 03867

Dover, NH

Branch & Drive-Up ITM:

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

Branch & ITM:

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

ITM:

8 Hotel Dr., Dover, NH 03820

Central Avenue Rite-Aid ATM:

865 Central Ave., Dover, NH 03820

Farmington, NH

Branch & Drive-Up ITM:

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

Lee, NH

Calef Highway Rite-Aid ATM:

58 Calef Highway, Lee, NH 03861

New Durham, NH

New Durham General Store ATM:

3 Old Bay Rd., New Durham, NH 03855

Ossipee, NH

Route 16 Walgreen's ATM:

910 Route 16, Ossipee, NH 03864

Somersworth, NH

High Street Rite-Aid ATM:

341 High St., Somersworth, NH 03878

Wolfeboro, NH

South Main Street Walgreen's ATM:

50 South Main St., Wolfeboro, NH 03894



What Members Are Saying...



"They have always been wonderful to do business with and take care to protect their members. Thank you, HRCU!"



- Charlotte on Facebook

"I've been lucky enough to work closely with HRCU's mortgage department, and am continuously impressed with their level of service! Their process is smooth, they are always meeting deadlines well in advance, and they maintain the servicing of their loans. Great benefit to locals in Rochester, Dover, Portsmouth area!"

- Shannon on Google



"I have been a member since I was 18 Years old and I have never had a problem. I am 66 now and I feel that I always had all the help I ask for. I always recommend Holy Rosary Credit Union. All my family have used them and always been satisfied with the respect we get with all of you.

Thank you for all you do."



- Daniel on a Member XP Survey