



# WE ARE HRCU



Includes 2013 Annual Report



# President's Message



Brian F. Hughes  
President & CEO

2013 will be the year that most economists say the financial recovery finally started to take hold. Investors displayed a renewed confidence with the stock market showing a strong comeback and retirement funds beginning to rebound. Housing prices and home sale demands have started to come back in many parts of the country; and with all of these changes that have taken place and with the good news in the economy, we know many members have seen their own personal comebacks. However, many still struggle and are working to recover from the financial storm a few years ago. HRCU remains committed to helping those members the best way we can—it starts with hard work and a staff committed to helping them on a daily basis. I am proud to say that we have that kind of staff.

Credit unions continue to do very well as the economic recovery moves along. Nationwide, credit unions topped \$1 trillion in total assets. 96 million members now belong to credit unions. Many members benefitted from a record number of 25 million loan originations in 2013, representing \$345 million loaned to credit union members. Why are these numbers important to note? Because the demand for credit union membership is clearly there. Each year, more and more people worldwide join a credit union. Every year we see loan demand increase in particular for consumer and small business loans, which are the bread and butter of credit union lending; and with all the talk about free checking these days, that is nothing new for credit unions or HRCU.

Overall, HRCU ended the year at \$193 million in total assets, \$135 million in total loans, and membership was well in excess of 18,000. Growth was very strong and exceeded nationwide peer averages. HRCU continues to find an important niche in helping existing and new members. This past year, 2,000 new members joined HRCU. Speaking of niches, our student loan portfolio now stands at over \$11 million. HRCU stepped up six years ago to help bring an affordable and much needed loan solution to college students when other financial institutions were shying away from them and the federal government was making it more difficult to obtain loans. We have also invested more resources into our youth accounts, M3 Money Club and Elements of Money, with over 3,000 local youths participating in the programs. HRCU staff visits over 10 schools in our area each week and along with our commitment to our Spaulding High School branch and hosting our annual CU 4 Reality Education Fair, we remain passionate and proud of the work we do to bring financial literacy to our youth.

In 2013, we converted to a new and improved data processing system, allowing us to deliver the most up-to-date products and services to our members. Shared Branching was unveiled to our membership, along with completely new mobile services and a new and improved online banking platform. We are not finished, as more products and services will continue to be rolled out in 2014.

We made a significant improvement in member services, opening our Member Support Call Center, while also revamping many operational functions. All of this has allowed us to plan for future growth by working on our long range branching goals. At the end of 2013, we undertook a project to bring in focus groups and conduct membership surveys. The response was overwhelming and it is clear that our membership looks to us to be their financial partner, as they are overall very happy with the service we provide. Although the pat on the back was nice, we were more interested in the many great ideas that were brought up to better serve you, both now and in the future. With a solid infrastructure now in place, we are excited to put many of the ideas into action.

Finally, I would like to thank our membership for sharing in the many successes of the credit union over the years and I am excited to share a bright future with you beginning in 2014.

A handwritten signature in black ink, appearing to read 'Brian F. Hughes', written in a cursive style.

Brian F. Hughes  
President & CEO





## Not Just in New Hampshire Anymore

HRCU strives to provide its members with all the tools necessary to meet their banking needs with the highest level of service and convenience possible. In 2013 we became one of the most technologically advanced credit unions in New England, launching a state-of-the-art computer system, mobile application, and redesigned website.

These upgrades have dramatically enhanced the online experience for our members, simplifying Online Banking, Mobile Banking and account opening. Members can now deposit a check with their mobile device and apply for a loan online, among many of the new online features that will help streamline their finances like never before. Additionally, HRCU became one of the nation's most convenient financial institutions in 2013, joining the Shared Branching network, allowing members to conduct business as if they were at a HRCU location with more than 7,500 credit union ATMs and branches available nationwide.

### Social Media

HRCU members have become more technologically savvy and every year we add to our accessibility through technology. Since beginning our journey into the world of social media in 2012, HRCU has earned one of the largest followings among New Hampshire credit unions with over 2,000 and 400 followers on Facebook and Twitter, respectively. We now have to the opportunity to communicate with our members like never before, as we share news, financial advice, and special offers with them on a daily basis.



HRCU donated more than \$10,000 to Make-A-Wish in 2013.



Super Saver Days bring the credit union to children at many local schools.



When children join M3 Money Club, they join forces with Cash and Violet.

### Launch of New Youth Programs

HRCU revamped its youth account offerings with the introduction of M3 Money Club and Elements of Money in 2013. M3 Money Club serves children ages birth to 12, and is designed to encourage saving and good financial habits. When children join M3, they join forces with superheroes, Cash and Violet, and their mission to stop the Evil Dr. Spendit from tricking people into spending money. Adventures aside, M3 Money Club offers its members a host of educational financial activities including quizzes, comics, podcasts, and engaging financial content on its co-branded website.

HRCU also spruced up its offerings for teen members with its Elements of Money program, giving them the ability to open savings and checking accounts. The program connects with 13- to 17-year-old members through a co-branded website, mobile app and social networks, while teaching them financial responsibility through interactive games, videos, podcasts and more. It is designed to help teenagers manage their money, while learning financial responsibility in a time when they are balancing their first job and getting ready for college.

### Make-A-Wish

HRCU continued to show its support for the Make-A-Wish Foundation in 2013, donating more than \$10,000 to the organization through its partnership with the New Hampshire Credit Union League. As an annual supporter of Make-A-Wish, HRCU has helped raise funds for the organization through general donations and the sale of holiday calendars, candy bars and theme park tickets.

Since 1997, NHCUL has established a very strong partnership with Make-A-Wish New Hampshire, allowing credit unions of New Hampshire to combine resources to address the wishes of children who face life-threatening medical conditions through NHCUL's Social Responsibility Committee.

### Food and Toy Drive

HRCU and Bernier Insurance donated non-perishable food and personal care items from its sixth annual food drive to the SHARE Fund (Rochester) in December. HRCU and Bernier hosted the month long food drive at its respective locations, where shopping carts were filled with donations from staff and members.

### What was new in 2013

- State-of-the-art Online & Mobile Banking
- Redesigned website
- Access to over 5,000 Shared Branching locations
- Mobile Deposit
- Revamped Youth Accounts
- Instant-Issue of Debit & Credit Cards
- Member Support Center (with extended hours)

### What's coming in 2014

- Online Account Opening
- Person-to-Person Payments
- ACH Origination



HRCU raised more than \$5,000 for Make-A-Wish through the sale of holiday calendars.



# 2013 Financials

## STATEMENT OF FINANCIAL CONDITION

(As of December 31)

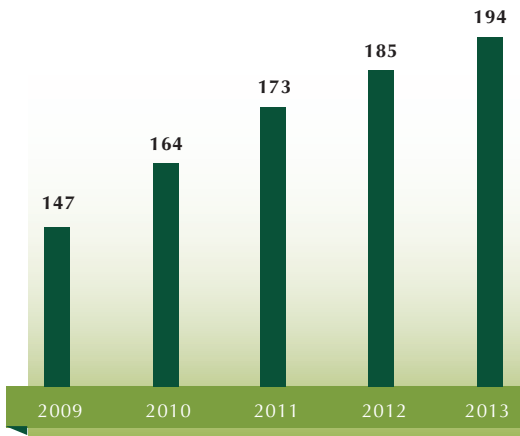
<b>ASSETS</b>	<b>2013</b>	<b>2012</b>
Loans to Members	\$ 135,486,079	\$ 126,060,170
Less: Allowance for Loan Losses	(553,403)	(571,695)
Net Loans to Members	\$ 134,932,676	\$ 125,488,475
Cash & Equivalents	7,488,260	12,023,326
Investments	43,123,481	40,277,871
Fixed Assets	4,574,575	4,445,754
Accrued Loan Interest	813,310	641,864
Other Assets	991,667	938,215
NCUSIF Deposit	1,757,498	1,635,026
<b>Total Assets</b>	<b>\$ 193,681,467</b>	<b>\$ 185,450,531</b>
<b>LIABILITIES &amp; EQUITY</b>		
Member Shares	178,203,892	168,236,499
Notes Payable	-	-
Other Liabilities	(1,754,833)	1,204,583
Regular Reserves	2,125,672	2,125,672
Undivided Earnings	15,135,011	13,826,547
Unrealized Gain(Loss) on AFS Investments	(28,275)	57,230
<b>Total Liabilities &amp; Equity</b>	<b>\$ 193,681,467</b>	<b>\$ 185,450,531</b>

## STATEMENT OF INCOME

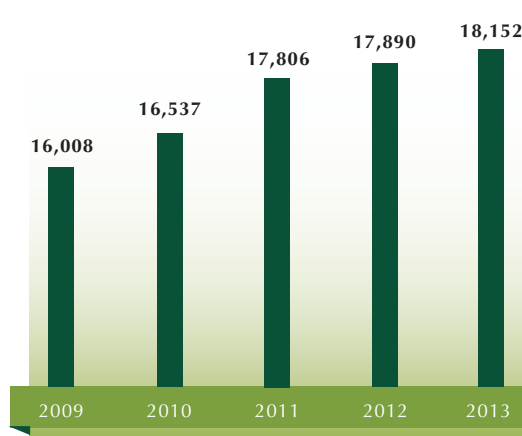
<b>INCOME</b>	<b>2013</b>	<b>2012</b>
Interest on Loans	\$ 6,918,715	\$ 6,706,402
Interest on Investments	329,395	495,654
Fees & Other Income	2,520,726	2,368,689
<b>Total Operating Income</b>	<b>\$ 9,768,836</b>	<b>\$ 9,570,745</b>
<b>LESS</b>		
Compensation and Benefits	3,661,743	3,312,398
Other Operating Expenses	3,406,665	3,136,405
<b>Total Operating Expenses</b>	<b>\$ 7,068,408</b>	<b>\$ 6,448,803</b>
Dividends and Interest Expense	1,023,513	1,115,020
Provision for Loan Losses	216,134	344,000
NCUA Assessments	140,600	155,328
Non-Operating Gains (Losses)	(11,716)	4,056
<b>Net Contribution to Capital</b>	<b>\$ 1,308,465</b>	<b>\$ 1,511,650</b>



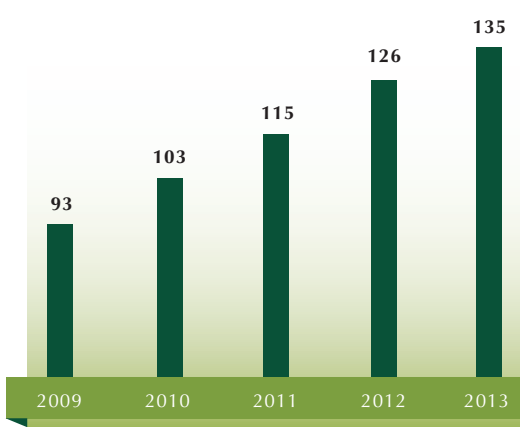
**Assets** (in millions)



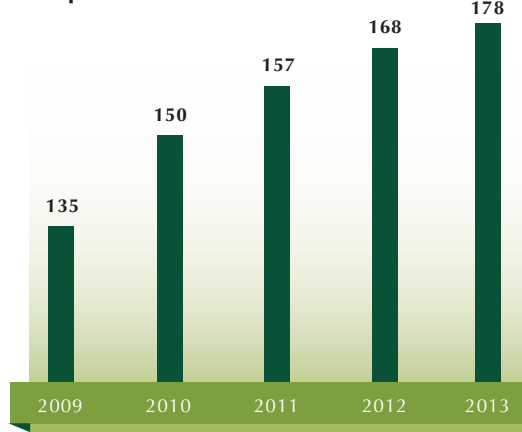
**Members**



**Loans** (in millions)



**Deposits** (in millions)



HRCU participated in the fifth annual Dover Children's Home Bowl-a-Thon.



HRCU granted scholarships to local high school graduates and current college students.



HRCU staff wore red in support of the American Heart Association's National Wear Red Day.



HRCU helped sponsor the CU 4 Reality Financial Education Fair at Spaulding High School.



HRCU staff showed their spirit by dressing up for Halloween.

# Our Community



HRCU also teamed up with the fire departments in Dover, Farmington and Rochester for the fifth straight year to host a toy drive at each of our branches during the month of December. Through the efforts of staff and members, HRCU was able to donate a substantial amount of new games, toys, gift certificates and monetary donations to those in need during the holiday season.

## Giving Back

HRCU continued to show its commitment to the community in 2013, supporting and improving the lives of many throughout our local area through financial gifts and donations of our time. In total, HRCU donated more than \$40,000 to 75 non-profit agencies in 2013, capping off the year by donating \$15,000 to 20 local charitable organizations at a private ceremony held at our Rochester branch in December. The event marked the second straight year HRCU made a sizable donation to non-profits during the holiday season, as it donated \$20,000 to 17 local charitable organizations in 2012.

Aside from donations around the community, HRCU continued to support local youth with our annual scholarship program, granting five \$1,000 scholarships and 10 \$500 scholarships to 15 high school graduates and current college students in 2013. HRCU also awarded 10 \$500 scholarships to students enrolled in the Banking Fundamentals Program, a college prep level course initiated by HRCU to help students understand the world of banking and finance at Spaulding High School.

## HRCU staff volunteered their time with the following organizations in 2013:

Cochecho Valley Humane Society	Howie's Field of Dreams
Credit Union Museum, Financial Literacy and Education Committee	Lakes Region Humane Society
CU 4 Reality Education Fair	Monarch School
Dover Apple Harvest Day	National Youth Involvement Board
Dover Children's Home Bowl-A-Thon	New England Financial Executives Council
Dover Cochecho Arts Festival Committee	New Hampshire Credit Union League
Dover Holiday Parade	Relay For Life
Dover Making Strides Walk	Rochester Court Diversion Strafford County Board of Realtors
Dover Sweeps Committee	Rochester Main Street Committee
Farmington Hay Day	Rochester Parade Committee
Freedom Food Pantry	Rochester Rotary
Frisbie Hospital Board of Directors	Rochester Rotary Golf Tournament Committee
Greater Barrington Chamber of Commerce Golf Committee	Spaulding High School Advisory Committee
Greater Barrington Chamber of Commerce Peepers 5K Committee	St. Elizabeth Seaton School Finance Council
Greater Rochester Chamber of Commerce Annual Golf Tournament Committee	Strafford County Homeless Shelter
Greater Rochester Chamber of Commerce Bash Committee	Tricorp Federal Credit Union Board of Directors
Greater Rochester Chamber of Commerce Board of Directors	United Way Day of Caring
Greater Rochester Chamber of Commerce Membership Committee	YMCA of Strafford County Advisory Board

## HRCU donated to the following non-profit agencies in 2013:

Abnaki District Good Scout Reception	Farmington Food Pantry	Rochester Babe Ruth
Allain Rochester Baseball Golf Tourney	Farmington High School	Rochester Child Care Center
American Diabetes Association	Farmington Parks & Recreation	Rochester Country Club
Art Esprit	Frisbie Care Van	Rochester Elks Golf Day
Autism Education Fund	Frisbie Memorial Hospital	Rochester Housing Authority
Barrington Public Library	Gerry's Food Pantry	Rochester Public Library
Bishop's Charitable Assistance Fund	Goodwin Community Health	Rochester Rotary Club
Brain Injury Association of New Hampshire	Greater Barrington Chamber of Commerce	Rochester Share Fund
Children's Hospital at Dartmouth-Hitchcock	Greater Rochester Chamber of Commerce	Rochester Sports Hall of Fame
Cochecho Valley Humane Society	Greater Somersworth Chamber of Commerce	Rochester Youth Hockey Boosters
Community Action Partnership	Greater Wakefield Chamber of Commerce	Rochester Youth Reach
Cornerstone VNA	Greater Wakefield Resource Center	Rochester Youth Soccer Association
Credit Union Museum	Homeless Center for Strafford County	Seacoast Family Promise
Dover Baseball	Homemakers Health Services	Seacoast Food Pantry
Dover Chamber of Commerce	Interfaith Food Pantry	Somersworth Community Food Pantry
Dover Children's Home	Make-A-Wish Foundation	Somersworth Festival Association
Dover Food Pantry	Meals on Wheels	Somersworth Share Fund
Dover High School	Monarch School of New England	Spaulding High School
Dover High School Football Boosters	New Durham Parks & Recreation	St. Charles Children's Home
Dover Middle School	New Hampshire Credit Union League	St. Peter Church
Dover Police Charities	New Hampshire Food Bank	Strafford County Board of Realtors
Dover Share Fund	New Hampshire Public Television	Strafford Wind Symphony
EAS Corp	New Hampshire Soapbox Derby	Tour De Force
Families First Health & Support Center	People to People Student Ambassador	Town of Greenland
Families in Transition (Rochester)	Red Raider Football Boosters	Victims, Inc.



## 2013 Employees of the Quarter



**Amanda Sevigney**  
First Quarter



**Jade McRae**  
Second Quarter



**Logan Zriny**  
Third Quarter



**Donna Claveau**  
Fourth Quarter

## HRCU Management



**Brian F. Hughes**  
President & CEO



**Rosemary Shields**  
Chief Operating Officer



**Brian Therrien**  
Chief Financial Officer



**Suzanne Wilkins**  
Vice President of Lending



**Donna Cormier**  
Vice President of Technology



**Chris Patrowicz**  
Vice President of Human Resources

## Board of Directors



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

## Supervisory Committee



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

## Council of Trustees



**Left to right, seated:** Eugene Cormier, Robert Chasse. **Standing:** Gerry Bisailon, Lucien Gagne, Normand Lanoie and Andre Therrien. **Absent from photograph:** Richard Sylvain.



# Better Banking, Not Bigger Banking.

- Free Checking with no fine print
- Online and Mobile Banking
- VISA® Credit Cards
- Mortgages: Fixed and Adjustable
- Auto and Personal Loans
- Business Banking with free Business Checking and Merchant Services
- Shared Branching
- Financial Planning
- Insurance Services
- Youth Accounts
- Mobile Deposit
- Youth Financial Education
- Credit Union Direct Lending (CUDL)
- Home Equity: Fixed Rate and Line of Credit
- Instant Issue Personal Debit and Credit Cards
- Student Loans
- Co-Op Network
- Free Bill Pay
- Member Support Call Center

## Rochester – Main Office

133 Brock Street  
Rochester, NH 03867  
603-332-6840

## Farmington

341 NH Route 11  
Farmington, NH 03835  
603-755-5000

## Dover

490 Central Avenue  
Dover, NH 03820  
603-743-3999

## Spaulding High School

Richard W. Creteau Tech. Center  
140 Wakefield Street  
Rochester, NH 03867  
603-332-1609

Toll Free: 877-895-6840

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



**HRCU**  
HOLY ROSARY CREDIT UNION