

ANNUAL REPORT



ANNUAL MEETING February 8, 2022

Meeting Agenda

- Meeting Called to Order
- Invocation
- Welcome by Board Chairman
- Verification of a Quorum
- Meeting Minutes: February 9, 2021
- Chairman's Report
- Treasurer's Report
- Supervisory Committee's Report
- Election of the Officials
 - Nominating Committee's Report
 - Nominations from the Floor
 - Vote/Collect and Count Ballots
- Old Business
- New Business
- Adjournment

OUR HISTORY

Originally founded on October 21, 1937, towards the end of the Great Depression, Houston Police Credit Union was created by Houston police officers to establish a financial institution that was owned and operated by the local police force—a financial cooperative. Their mission was to provide reasonably-priced loans and a safe place for life savings for Houston Police Department employees and their families.

The credit union had 14 charter member-owners and in the beginning, was a meager operation. When a member-owner wanted to apply for a loan, an appointed officer would take the paperwork in his squad car to the member-owner and then return the forms to the credit union, which was originally a small office in HPD's Property Room. Alex Laux was the first approved loan. The loan limit was \$25.00.

In 1966, with over 2,150 member-owners and \$2.5 million in total assets, the credit union grew large enough to warrant moving out of HPD headquarters and into a separate building. Located at 1600 Memorial Drive, it is still in use as the main branch today.

Membership, assets, and product and service offerings have continued to increase over the years. With a board of directors comprised of HPD executives and officers, the credit union has continued to remain relevant to the lives of its member-owners, even adapting the drive-up at the main branch to accommodate various official vehicles including SWAT trucks and helicopters.

As our membership has grown, so has the credit union. As of 2022, the credit union serves HPD staff, employees, and their families in three locations. Membership has grown to over 31,700 and assets have reached \$961 million. From serving academy recruits with equipment loans to retirement savings and planning, our credit union has become a vital part of our member-owners' lives through every stage of their career.

MEETING MINUTES February 9, 2021

Mattie Provost, 2nd Vice Chairman, called the meeting to order at 7:00pm. The following members of the Board of Directors were present:

- Mattie Provost, 2nd Vice Chairman
- Rick Retz, Secretary-Treasurer
- Wyatt Martin, Membership Officer
- Scott Simmons, Board Member
- Wendy Baimbridge, Board Member

The following member of the Supervisory Committee was present:

- Mark Smith, Committee Chairman

Scott Simmons, Board Member, gave the invocation.

Mrs. Provost began by welcoming everyone to the annual meeting. She introduced the members of the Board of Directors, Supervisory Committee and Executive Staff. Mrs. Provost thanked the volunteers and the entire HPCU staff for their hard work during a very unusual year. She thanked Renita Ferguson for her volunteer service as a board member for 37 years. She also thanked Ayn Talley for leading the credit union successfully as President for 30 years. Mrs. Provost announced that Kim Foster accepted the position as President/CEO and began her duties as of January 16th.

Mrs. Provost reported that the credit union started 2020 by converting its outdated core processing system and digital banking provider, to better serve the membership. She explained the new system will improve branch transactions and allow for more speedy account opening and more online convenience. Mrs. Provost also reported that HPCU was faced with the challenge of the unprecedented Covid-19 pandemic. She explained that with keeping the membership's needs and personal safety priority, the credit union responded by closing lobby services and began providing most services remotely. She reported that the credit union also responded to the hardship the members were facing through the pandemic by offering financial relief where possible.

Mrs. Provost reported that even in these challenging times, Houston Police Credit Union remains strong. She explained that the credit union completed 2020 with an increase in assets to \$890 million, a well-capitalized ratio of 12.81% and an overall savings of the membership of \$575 million dollars. She also explained that loan demand in 2020 remained low and deposits invested in the market produced low return yields, resulting in a dividend reduction by the credit union.

MEETING MINUTES CONTINUED February 9, 2021

Mrs. Provost explained that HPCU's leadership is committed to continuing to provide the best financial benefits for the membership including low loan rates and competitively higher dividend rates. She also reported addressing in-person and virtual needs of membership remains a high priority. Mrs. Provost thanked everyone for making HPCU their financial institution and looks forward to serving everyone in 2021.

Mark Smith, Supervisory Committee Chairman, verified a quorum was present.

As everyone had been presented with the 2020 Annual Report, a motion was made to dispense with the reading of the minutes of the previous meeting and accept the minutes as presented. The motion seconded and passed.

A motion was made to dispense with the reading on the Chairman's Report, the Treasurer's Report, the Supervisory Committee's Report and to accept them as presented. The motion was seconded and passed.

At this time, Mrs. Provost reviewed the election procedures and introduced Richard Retz, Nominating Committee Chairman. Mr. Retz reported that the following were the nominations from the committee:

Board of Directors

Mattie Provost	3-year term
Scott Simmons	3-year term
Mark Smith	1-year term

Mr. Retz then asked for nominations from the floor. A second call was made for nominations from the floor. After a third call for nominations from the floor, a motion was made to cease nominations and elect the nominees by acclamation. The motion was seconded and passed.

Mrs. Provost then asked for any old business that needed to come before the membership. There was none.

Mrs. Provost followed with a request for any new business. There was none reported.

A motion was then made to adjourn. The motion was seconded, and it passed.



Mattie Provost, 2nd Vice Chairman



Richard Retz, Secretary-Treasurer

Report from the **BOARD CHAIRMAN**



DENNIS STOREMSKI

Chairman

2021 brought many new and exciting changes as well as new challenges to the credit union and its members. The pandemic continues to change the way we all access our funds and accounts, and HPCU has been working to provide more digital services to our members through this time. In 2021, we implemented a new online Skip-a-Pay feature that allows our members to skip their loan payments anytime with online banking. The credit union also saw many innovations and growth under its new President/CEO, Kimberly Foster. Under this new leadership, we remain dedicated to providing the best service possible to our members, and this was demonstrated earlier this year during the winter storm. Although our branches were closed, we continued to assist members remotely while upholding our quality member service. In 2022, we will continue to improve our systems, processes and service to provide the best for our membership.

HPCU remained financially strong in 2021 and experienced growth throughout the year. With a net worth ratio of 13.02 percent, Houston Police Credit Union is considered well-capitalized, even in these unprecedented times. This means we can return more to our members by investing back into the resources that have the most significant impact on our members' lives, such as improved digital services and great rates. We are proud to be able to meet the financial needs of our members, especially through the past few years. Our prudent fiscal management of the credit union has afforded us advantages to look towards the future of HPCU with the utmost confidence.

In 2021, we continued to see growth in our membership and assets. Membership increased to over 31,700 members, and our assets increased to \$961 million. Collectively our members have saved over \$643 million with HPCU savings accounts. The credit union's percentage of assets invested in loans ended 2021 with a loan-to-asset ratio of 43.69 percent.

We continue to strive to be the primary financial institution *For Those Who Serve™* and those who support them. In 2022, we are looking to build on this goal by offering more flexibility with digital services, upholding our strong member service and offering competitive rates to our members. We are excited to see what 2022 will bring us here at HPCU. Thank you for making HPCU your financial institution of choice, and we look forward to serving you in 2022.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Dennis Storemski", written in a cursive style.

Dennis Storemski,
Chairman

Report from the **SUPERVISORY COMMITTEE**



MILTON "WYATT" MARTIN
Chairman

The Supervisory Committee provides our members with an avenue to express their concerns and acts as the oversight body for both the internal and external audit functions of the credit union. Our goal is to provide assurance to the membership that their investment in the credit union remains secure.

Examiners from federal agencies, including the National Credit Union Administration (NCUA), along with the independent services of an external auditing firm provide guidance to help both the supervisory committee and credit union maintain mandated compliance with regulations and sound financial management policies.

The Supervisory Committee retained Doeren Mayhew CPAs and Advisors in 2019 to audit the credit union's financial statements. Doeren Mayhew CPAs and Advisors issued an unmodified (clean) opinion for each year from 2019 to 2021. These opinions indicated HPCU's financial statements fairly present the financial condition of the credit union. In 2021, the Supervisory Committee retained the services of Doeren Mayhew CPAs and Advisors to perform an audit of HPCU's financial statements as of and for the year ending December 31, 2021 and 2022.

The Supervisory Committee is pleased to report that HPCU is in good financial condition and in compliance with all state and federal regulatory directives. We would also like to thank our board of directors, management, employees and our member-owners for allowing us to serve them and HPCU as we perform our duties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. Wyatt Martin", written in a cursive style.

Milton "Wyatt" Martin,
Chairman

Report from the **BOARD TREASURER**



RICHARD RETZ

Chairman

Despite the continued effects of the pandemic, I am happy to report that Houston Police Credit Union has had another successful year of strong financial stability and growth. HPCU's assets totaled \$961 million. We are proud to say that HPCU has continued to offer our membership financial relief and assistance while keeping our membership and employees safe.

During 2021, HPCU members continued to save more money than we traditionally see, and the credit union's assets increased by \$71 million. Membership also increased in 2021 to over 31,700 members. This pattern of stability indicates that we are meeting the financial needs of our membership with higher-than-average savings rates and some of the lowest loan rates found anywhere. In 2021, we opened over 681 net new memberships. Additionally, we funded over \$174 million new loans to help members during the pandemic.

The HPCU Board of Directors and Management Team maintained careful practices to ensure that the credit union remained healthy and well-capitalized throughout 2021. Our 13.02 percent net worth is very well regarded by the National Credit Union Administration (NCUA). The NCUA receives detailed information from HPCU on a quarterly basis to measure our financial strength and net worth. Working together with our independent financial and strategic advisors, the credit union's Management Team continues building a prosperous future that will benefit all our members.

As we look forward, our commitment to providing quality products and services focused on helping our members achieve financial success remains our priority. This strong financial performance in 2021 placed us at the top of our peer group in providing member value. In 2022, we look forward to exploring more opportunities to enhance the member experience at HPCU.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. Retz', written in a cursive style.

Richard Retz,
Secretary-Treasurer

Credit Union **OFFICIALS**

BOARD OF DIRECTORS



DENNIS STOREMSKI
Chairman



BOBBY CAMP
1st Vice Chairman



MATTIE PROVOST
2nd Vice Chairman



RICHARD RETZ
Secretary-Treasurer



MARK SMITH
Assistant
Secretary-Treasurer



MILTON "WYATT" MARTIN
Membership Officer



SCOTT SIMMONS
Member



Credit Union **OFFICIALS**

SUPERVISORY COMMITTEE



MILTON "WYATT" MARTIN

Chairman



JENNIFER BALDWIN

Member



TERESA CURRY

Member



CHRIS HASSIG

Member



STEVEN JOLIVETTE

Member



Report from the **CREDIT UNION PRESIDENT**



KIMBERLY FOSTER

President/CEO

2021 marked my inaugural year as President/CEO of Houston Police Credit Union, and I am very pleased with the results. Despite another year of the pandemic, we were able to overcome challenges new to all and demonstrate what makes our credit union so unique and attractive. By simply staying true to our core values and mission to serve Houston Police Department, its employees and their family, HPCU continued to be a source of stability for our members when it was needed most.

Throughout 2021, the credit union continued to thrive with a laser focus on exceptional member service and long-term financial strength. In addition to maintaining some of the best rates for both lending and savings, we finished the year successfully with impressive member satisfaction scores as well as sustainable asset and capital growth. We were able to meet the immediate needs of our members and achieve an average member satisfaction score of 4.91 on a scale of 5.00. Our total assets grew to \$961 million and net worth grew to 13.02 percent despite economic volatility. These performance measurements, among other key performance indicators, demonstrate the service standards to our membership and the financial strength of HPCU.

As we look forward to 2022 and beyond, we welcome each opportunity to push the credit union forward in the best interest of the membership. We recognize that our members have many options for financial services, and we thank you for entrusting us to service all your financial needs. Our goal is to continue being a solid financial partner improving your financial life each step of the way.

Thank you for your support and membership with HPCU.

Respectfully submitted,

A handwritten signature in black ink that reads "Kim Foster". The signature is fluid and cursive.

Kim Foster,
President/CEO

Credit Union **MANAGEMENT**

MANAGEMENT TEAM



KIMBERLY FOSTER
President/CEO



DARLENE DAVIS
Senior Vice President



MICHAEL BOTELLO
Vice President



CANDICE HARRIS
Vice President



LEDETRI JENKINS
Vice President



WAYNE STAFFORD
Vice President



MARY DODSON
Assistant Vice President



WILLIE PORTER
Assistant Vice President

Our **MISSION**

Houston Police Credit Union exists to promote the financial well-being of its members. We will maintain the financial strength of the credit union through a broad range of innovative financial products, prudent management of our members' resources and the excellent service provided by a dedicated, well-trained staff.



2021 **FINANCIAL SUMMARY**

INCOME & EXPENSES

Total Operating Income	\$33,500,151.45
Total Expenses	\$16,179,750.25
Non-Operating Gain	\$119,517.44
Total Income Before Dividend Distribution	\$17,439,918.64
Dividends to Members	\$6,281,220.09
Net Income	\$11,158,698.55

ASSETS

Loans to Members	\$419,760,200.98
Investments	\$447,199,058.15
Daily Investments	\$4,796,601.47
Other Assets	\$89,066,420.85
Total Assets	\$960,822,281.45

LIABILITIES & EQUITY

Regular Savings	\$643,539,132.82
IRA Savings	\$47,287,069.63
Savings Certificates	\$30,604,557.91
Checking Accounts	\$114,198,569.55
Accounts Payable and Accrued Expenses	\$6,182,824.55
Regular Reserve	\$6,331,969.89
Undivided Earnings	\$112,678,157.10
Total Liabilities and Equity	\$960,822,281.45

INCOME DISTRIBUTION



48.13%

Office Operating Expense

18.68%

Dividends to Members

33.19%

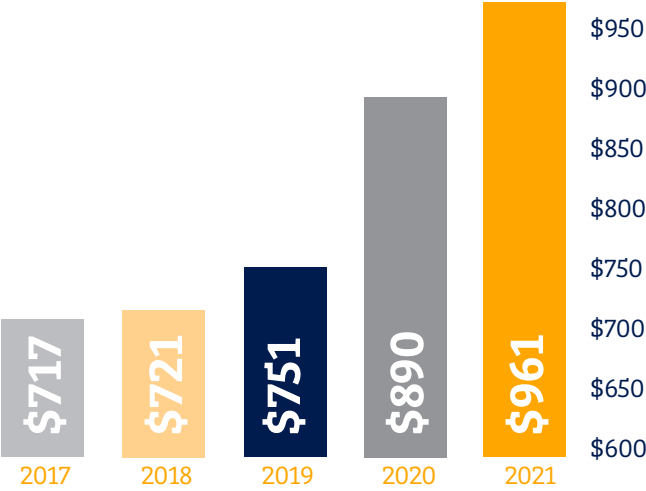
Reserve

Five Year **SUMMARIES**

SUMMER OF OPERATIONS	DOLLAR AMOUNTS IN THOUSANDS				
	2017	2018	2019	2020	2021
Total Assets	\$716,696	\$721,169	\$751,409	\$889,940	\$960,822
Loan to Members	\$409,176	\$433,555	\$452,809	\$429,965	\$419,760
Member’ Savings	\$611,569	\$612,578	\$631,360	\$765,936	\$835,629
Total Reserves	\$93,326	\$96,388	\$107,816	\$118,568	\$119,010
Total Income Before Interest Refund	\$30,843	\$33,609	\$35,361	\$32,961	\$33,500
Total Expenses	\$15,762	\$16,472	\$17,345	\$17,652	\$16,180
Interest Refund to Members	\$0	\$2,223	\$2,344	\$2,126	\$0
Total Income Before Dividend Distributions	\$15,081	\$14,914	\$15,711	\$15,715	\$17,440
Dividends to Members	\$8,227	\$8,743	\$9,377	\$8,835	\$6,281
Bonus Dividends to Members	\$0	\$975	\$1,088	\$65	\$0
Net Operating Expense Ratio	0.78%	0.71%	0.79%	0.89%	0.69%

SUMMARY OF ASSET GROWTH

DOLLAR AMOUNTS IN MILLIONS



FEBRUARY 2022



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2	3	4	5
6	7	Annual Meeting	9	10	HPD Payday	12
13	14	15	16	17	18	19
20	21	22	23	24	HPD Payday	26
27	28					

MARCH 2022



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2	3	4	5
					HPD Payday	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
					HPD Payday	
20	21	22	23	24	25	26
27	28	29	30	31		

APRIL 2022



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1	2
					HPD Payday	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
					HPD Payday	
17	18	19	20	21	22	23
24	25	26	27	28	29	30

MAY 2022



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4	5	HPD Payday 6	7
8	9	10	11	12	13	14
15	16	17	18	19	HPD Payday 20	21
22	23	24	25	26	27	HPCU Closed 28
29	Memorial Day HPCU Closed 30	31				

JUNE 2022



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	HPD Payday 3	4
5	6	7	8	9	10	11
12	13	14	15	16	HPD Payday 17	HPCU Closed 18
Juneteenth 19	HPCU Closed 20	21	22	23	24	25
26	27	28	29	30		

JULY 2022



Houston Police
CREDIT UNION

For Those Who Serve™

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					HPD Payday	HPCU Closed
					1	2
	Independence Day HPCU Closed					
3	4	5	6	7	8	9
					HPD Payday	
10	11	12	13	14	15	16
17	18	19	20	21	22	23
					HPD Payday	
24/31	25	26	27	28	29	30

AUGUST 2022



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1	2	3	4	5	6
7	8	9	10	11	HPD Payday	13
14	15	16	17	18	19	20
21	22	23	24	25	HPD Payday	27
28	29	30	31			

SEPTEMBER 2022



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	2	HPCU Closed 3
4	Labor Day HPCU Closed 5	6	7	8	HPD Payday 9	10
11	12	13	14	15	16	17
18	19	20	21	22	HPD Payday 23	24
25	26	27	28	29	30	

OCTOBER 2022



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
					HPD Payday	
2	3	4	5	6	7	8
9	10	11	12	13	14	15
					HPD Payday	
16	17	18	19	20	21	22
23/30	24/31	25	26	27	28	29

NOVEMBER 2022



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2	3	HPD Payday 4	5
6	7	8	9	10	Veterans Day HPCU Closed 11	HPCU Closed 12
13	14	15	16	17	HPD Payday 18	19
20	21	22	23	Thanksgiving Day HPCU Closed 24	HPCU Closed 25	HPCU Closed 26
27	28	29	30			

DECEMBER 2022



SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	HPD Payday 2	3
4	5	6	7	8	9	10
11	12	13	14	15	HPD Payday 16	17
18	19	20	21	22	HPCU Closed 23	HPCU Closed 24
Christmas Day 25	HPCU Closed 26	27	28	29	HPD Payday 30	HPCU Closed 31

JANUARY 2023



Houston Police CREDIT UNION

*For Those Who Serve*TM

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
New Year's Day	HPCU Closed					
1	2	3	4	5	6	7
8	9	10	11	12	HPD Payday	HPCU Closed
15	MLK Day HPCU Closed	17	18	19	20	21
22	23	24	25	26	HPD Payday	28
29	30	31				

Personal **NOTES**



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Personal NOTES



For Those Who Serve[™]



HPCU.coop

713.986.0200

800.927.8707

LOCATIONS

Memorial Branch (Main)

1600 Memorial Drive

Houston, TX 77007

Travis Branch

1200 Travis Street, Floor 20

Houston, TX 77002

Restricted access to members with security
access to Houston Police Department only.

Willowbrook Branch

17314 State Highway, 249 Suite 107

Houston, TX 77064