



2022 ANNUAL REPORT



Houston Police
CREDIT UNION

For those who serve,
and their families.

ANNUAL MEETING February 7, 2023

Meeting Agenda

- Meeting Called to Order
- Invocation
- Welcome by Board Chairman
- Verification of a Quorum
- Meeting Minutes: February 8, 2022
- 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 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 31,500 and assets have reached \$893 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.

OUR FIELD OF MEMBERSHIP

Active or retired Houston police officers

Active or retired Houston Police Department civilian employees

Surviving spouses of deceased Houston police officers or Houston Police Department civilian employees

Family members of the above including:

- | | |
|-----------------------------|--|
| Spouse | Grandchildren |
| Children (includes in-laws) | Great grandchildren |
| Siblings | Any legal dependent of the main member or the main member's spouse |
| Parents (includes in-laws) | |
| Grandparents | |

MEETING MINUTES February 8, 2022

Dennis Storemski, Chairman, called the Annual Meeting to order at 7:00pm on Tuesday, February 8, 2022.

The following members of the Board of Directors were present:

- Dennis Storemski, Chairman
- Bobby Camp, 1st Vice Chairman
- Mattie Provost, 2nd Vice Chairman
- Richard Retz, Secretary-Treasurer
- Mark Smith, Assistant Secretary-Treasurer
- Wyatt Martin, Membership Officer
- Scott Simmons, Board Member

The following members of the Supervisory Committee were present:

- Teresa Curry, Committee Member
- Chris Hassig, Committee Member

Scott Simmons, Board Member, gave the invocation.

Dennis Storemski began by welcoming everyone to the annual meeting. He introduced the members of the Board of Directors, Supervisory Committee, and Executive Staff. Mr. Storemski thanked the volunteers and the entire HPCU staff for their hard work during a very unusual year. He acknowledged Kim Foster for completing her first year as the President/CEO.

Mr. Storemski reported that the credit union was successful in 2021 while working through the pandemic challenges and an economic downturn. He explained that with a strong executive team and dedicated staff, the membership still received excellent products and services.

Mr. Storemski reported that during 2021, the credit union experienced a decrease of \$10 million in loans and an increase of \$71 million in assets. He explained that even through a tumultuous year, the credit union continued to provide low loan rates and competitively higher dividend rates.

Wyatt Martin, Supervisory Committee Chairman, verified a quorum was present.

As everyone had been presented with the 2021 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 was seconded and passed.

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

At this time, Mr. Storemski reviewed the election procedures and introduced Mr. Martin,

MEETING MINUTES CONTINUED February 8, 2022

Nominating Committee Chairman. Mr. Martin reported that the following were the nominations from the committee:

Board of Directors

- Richard Retz 3-Year Term
- Mark Smith 3-Year Term

Mr. Storemski 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.

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

Mr. Storemski 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.

Report from the **BOARD CHAIRMAN**



DENNIS STOREMSKI
Chairman

It is my honor to serve as the Chairman of the Board of Directors for Houston Police Credit Union. As the Board of Directors, it is our responsibility to guide the credit union in making the best decisions to safeguard your assets and information. Additionally, we seek opportunities to strengthen the value of your membership with convenient products and services and the best loan and savings rates possible.

I am proud to say that HPCU remained financially strong in 2022 despite the challenges of the economic downturn. Houston Police Credit Union is considered well-capitalized with a very strong net worth ratio. 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. In addition, our prudent fiscal management of the credit union allows us to look confidently toward the future.

HPCU continues to perform quite well, diligently working to adapt to this new economic landscape. At year-end, membership totaled over 31,500 members, and our assets totaled \$893 million. Collectively our members have saved over \$812 million with HPCU savings accounts. We continue to strive to be the primary financial institution For Those Who Serve™ and those who support them.

I would like to take a moment to express my deepest confidence in the leadership of the HPCU Executive Team, the wisdom and guidance of our esteemed Board of Directors, the commitment of our dedicated staff and the support and loyalty of our members. The last several years have presented many challenges, and together we have proven that we are more than capable of facing any new challenges we may encounter in 2023. Thank you for making HPCU your financial institution of choice, and we look forward to serving you in 2023.

Respectfully submitted,

A handwritten signature in black ink that reads "Dennis Storemski". The signature is fluid and cursive, written in a professional style.

Dennis Storemski,
Chairman

Report from the **SUPERVISORY COMMITTEE**



CHRISTOPHER HASSIG

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 has continued to retain Doeren Mayhew CPAs and Advisors to audit the credit union's financial statements. Doeren Mayhew CPAs and Advisors have issued an unmodified (clean) opinion for each year from 2019 to 2022. 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, 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 members for allowing us to serve them and HPCU as we perform our duties.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'CHASSIG', written over a light blue horizontal line.

Christopher Hassig,

Chairman

Report from the **BOARD TREASURER**



RICHARD RETZ
Secretary-Treasurer

Despite the economic uncertainty of 2022, I am happy to report that Houston Police Credit Union has had another successful year of strong financial stability. HPCU's assets totaled \$893 million at the end of 2022. I am proud to say that HPCU continues to offer our membership the outstanding financial rates and services they have come to expect and count on every day.

Membership at the end of 2022 was over 31,500 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 2022, our members borrowed over \$419 million in loans. The HPCU Board of Directors and Management Team maintained careful practices to ensure that the credit union remained healthy and well-capitalized throughout 2022. As a result, our strong 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 that focus on helping our members achieve financial success remains our priority. This strong financial performance in 2022 placed us at the top of our peer group in providing member value. In 2023, we look forward to exploring more opportunities to enhance your membership at HPCU.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. Retz', written over a horizontal line.

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



CHRISTOPHER HASSIG

Chairman



TERESA CURRY

Secretary



JENNIFER BALDWIN

Member



STEVEN JOLIVETTE

Member



BRIDGETT TAYLOR

Member



Report from the **CREDIT UNION PRESIDENT**



KIMBERLY FOSTER

President/CEO

The credit union celebrated 85 years of serving our members in 2022. As the financial institution for the Houston Police Department, we understand the sacrifice that our members make to protect and serve the city of Houston. Our commitment to understanding and improving the lives of our members has led us to create a legacy of service, integrity and stability. With over 31,500 members, an average member satisfaction score of 4.91 out of 5 and collective member savings of \$812 million, HPCU is well on its way to continuing our tradition of providing outstanding service For Those Who Serve™.

As I look back on the past year, I am proud of the results Houston Police Credit Union brought in 2022. Not only did we demonstrate another year of financial strength and outstanding service, but we have also been working diligently on projects to ensure that we remain positioned for the future. In 2023, we will continue to invest in enhanced products and services to support our members and put them first in everything we do. Our credit union has a rich history of serving the Houston Police Department, its employees and their families. Our ongoing success relies on how well we serve you, and with your support we will continue the legacy of providing first-class service to our members.

Meeting the challenges presented by our current economy and environment, working to improve our digital technologies and continuing to provide high-quality service will remain the top priorities for HPCU in 2023. Our members are integral to our credit union's success, and I am sincerely grateful that you have chosen HPCU as your financial partner.

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**

EXECUTIVE 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

LEADERSHIP TEAM Assistant Vice Presidents



PATRICIA BRENNAN



CLAUDIA FLORES



WILLIE PORTER



GERASIA WHITE



KIMBERLY WOODEN

Our **MISSION**

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

2022 FINANCIAL SUMMARY

INCOME & EXPENSES

Total Operating Income	\$37,472,505.59
Total Expenses	\$16,633,315.51
Non-Operating Gain	\$196,631.75
Total Income Before Dividend Distribution	\$21,035,821.83
Dividends to Members	\$6,696,034.83
Net Income	\$14,339,787.00

ASSETS

Loans to Members	\$474,490,808.00
Investments	\$363,081,090.92
Daily Investments	\$7,575,570.84
Other Assets	\$47,906,737.34
Total Assets	\$893,054,207.10

LIABILITIES & EQUITY

Regular Savings	\$613,750,295.80
IRA Savings	\$44,369,685.33
Savings Certificates	\$35,895,094.03
Checking Accounts	\$118,495,491.92
Accounts Payable and Accrued Expenses	\$6,474,057.99
Regular Reserve	\$6,331,969.89
Undivided Earnings	\$67,737,612.14
Total Liabilities and Equity	\$893,054,207.10

INCOME DISTRIBUTION



44.16%

Office Operating Expense

17.78%

Dividends to Members

38.07%

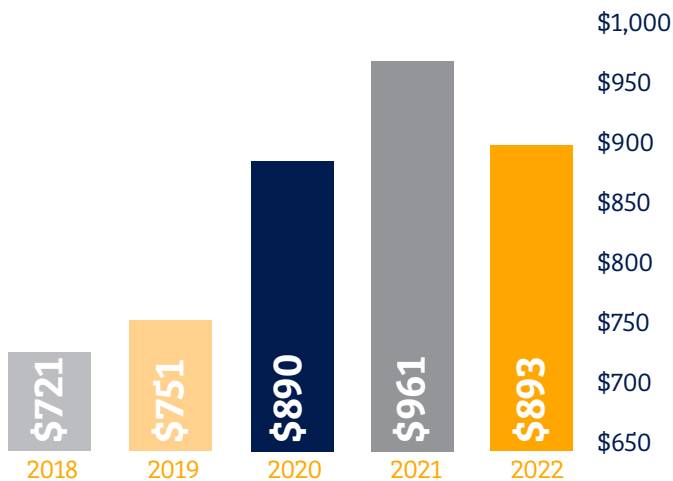
Reserve

Five Year **SUMMARIES**

SUMMARY OF OPERATIONS	DOLLAR AMOUNTS IN THOUSANDS				
	2018	2019	2020	2021	2022
Total Assets	\$721,169	\$751,409	\$889,940	\$960,822	\$893,054
Loan to Members	\$433,555	\$452,809	\$429,965	\$419,760	\$474,491
Member' Savings	\$612,578	\$631,360	\$765,936	\$835,629	\$812,511
Total Reserves	\$96,388	\$107,816	\$118,568	\$119,010	\$74,070
Total Income Before Interest Refund	\$33,609	\$3,5361	\$32,961	\$33,500	\$37,473
Total Expenses	\$16,472	\$17,345	\$17,652	\$16,180	\$16,633
Interest Refund to Members	\$2,223	\$2,344	\$2,126	\$0	\$0
Total Income Before Dividend Distributions	\$14,914	\$15,711	\$15,715	\$17,440	\$21,036
Dividends to Members	\$8,743	\$9,377	\$8,835	\$6,281	\$6,696
Bonus Dividends to Members	\$975	\$1,088	\$65	\$0	\$0
Net Operating Expense Ratio	0.71%	0.79%	0.89%	0.69%	0.61%

SUMMARY OF ASSET GROWTH

DOLLAR AMOUNTS IN MILLIONS



FEBRUARY 2023



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

MARCH 2023



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

APRIL 2023

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

MAY 2023

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

JUNE 2023



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	HPCU Closed 17
18	Juneteenth HPCU Closed 19	20	21	22	23	24
25	26	27	28	29	HPD Payday 30	

JULY 2023



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

AUGUST 2023



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		

SEPTEMBER 2023



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

OCTOBER 2023



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				

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

DECEMBER 2023



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

JANUARY 2024



For Those Who Serve[™]

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

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

