

**YOUR
FINANCIAL**
Health
MATTERS



**Helping Our Members
Through Inflationary Times**

2022 ANNUAL REPORT



Chairman's Report

BRIAN MCLEROY III
Chairman, Board of Directors

Welcome to the 88th Annual Meeting of the Houston Texas Fire Fighters Federal Credit Union.

Trust, Service, Prosperity, and Family are the key characteristics of HTFFFCU. And we are so thankful to have a membership that exhibits the same traits. We have experienced another year of great success.

Your Board of Directors is dedicated to your overall financial health and has strived to ensure that your product and service needs are met. Their governance, commitment, and zeal are displayed in every decision. We are greatly humbled by the trust you have placed in us. As your Credit Union's leadership, we are responsible for ensuring that we have a competent, qualified and trustworthy management team, and I can say unmistakably that we do.

During 2022, we introduced a self-check-in system at all branches to ensure sufficient staffing to address your needs. Several educational videos were published for your enlightenment. Streamlined satisfaction surveys were also launched as we value your feedback. Your Board of Directors devoted its time and expertise to ensure that your financial goals are met.

With a net worth ratio of 13.47%, your Credit Union is rated as a "well capitalized" credit union. The National Credit Union Administration, our federal regulator, considers federally-insured credit unions with net worth ratio of 7% or higher to be well-capitalized and possess the ability to handle uncertain economic stress with no or minimum impact on the membership.

The growth of HTFFFCU continues as we ended 2022 with assets of over \$339 million and the total membership grew by 534 members. Financially, we had a great year with net income of over \$2.4 million after returning \$750,000 to the members as an extraordinary dividend.

Our goal is to always strive to meet and exceed your expectations. That includes not only staying relevant with new products and services but also ensuring that we never lose sight of the importance of providing outstanding service to you, our members on a daily basis. We are proud of our staff and appreciate their contribution to the success of the organization by providing the best service possible to you at all times.

Thank you again for your loyalty as a member of the Houston Texas Fire Fighters Federal Credit Union.



Treasurer's Report

G.W. "SKIP" NORTH
Treasurer, Board of Directors

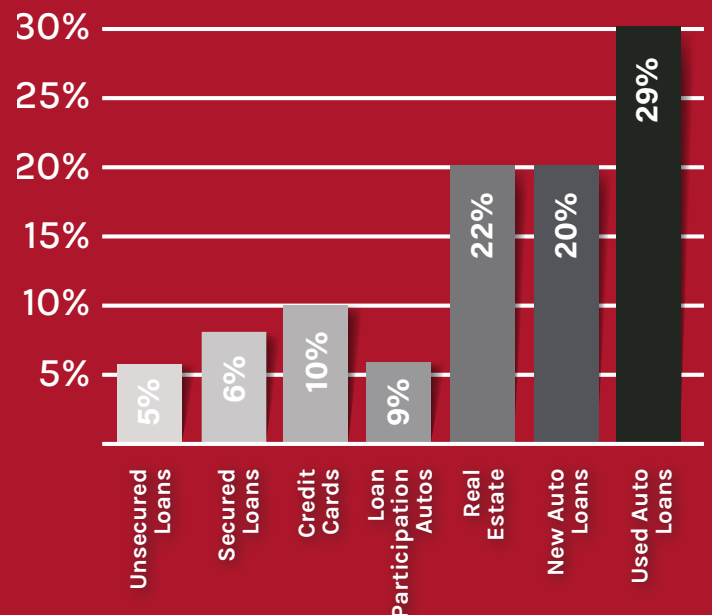
Your credit union continues its record of achieving positive financial results. The credit union's capital ratio, a measure of financial strength, was 13.47% at the end of the year. This exceeds the industry average by more than 2.82%. The National Credit Union Administration (NCUA) considers ratios greater than 7% to be well-capitalized. Earnings were sufficient to support an extraordinary dividend of \$750,000. In addition, credit union assets increased \$1.3 million with loans increasing \$20.5 million and deposits declined \$4 million.

The Statement of Financial Condition and Results of Operations for the years ending December 31, 2022 and 2021 are provided in this Annual Report for your review.

On behalf of the Board of Directors, Supervisory Committee, Management and Staff, we thank you for making 2022 a successful and productive year.

Loan Portfolio

AT A GLANCE





President's Report

PAM MCIVER

President & CEO and Management Team



We are proud to serve our brave first responders of the Houston Fire Department and their families. We understand the effects that inflation has had on many families and are quick to jump to action with your needs made as our top priority. As the cost of living continued to rise in 2022, we continued to offer refinancing and forbearance assistance (such as loan extensions and skip payments) to alleviate financial stress during these challenging times.

We offered many financial services and tools that continued to help those who serve including low-rate loans and credit card. We were also pleased to help families purchase and refinance their homes at lower, affordable rates. Overall, mortgage originations totaled more than \$8 million, auto \$44.6 million, and credit cards grew to \$15.6 million.

This year, much of our efforts focused on ways to educate our members by protecting their financial information. By offering card alerts, our security features aim to keep you informed about your account around the clock. We also provided helpful tips and ways to avoid fraud on your account. Our employees were eager and readily available to help assist and protect members and their accounts. Additionally, several educational videos were introduced to help members understand various products and services.

During 2022, we introduced enhanced alerts and card controls which provided members with the ability to set up alerts and manage card controls at a moment's notice. We

also rolled out an enhanced credit card portal that focused on a new digital experience for credit card holders. These online card management tools are designed for better functionality and accessibility. We continue to evolve to newer technological trends that benefit our members.

The Credit Union avoided \$216,762 in card losses due to fraud mitigation rules implemented. Employees and third-party partners diligently monitor changes in purchase behavior to identify potential fraudulent transactions. Total sales volume for debit and credit card transactions was \$175,388,774. Check and other fraudulent claims totaled \$180,000.

We are committed to you! We will continue to provide timely products and services with an enthusiastic attitude and sincere heart to fulfill your financial dreams, ensuring that you are financially fit for all life events. Whether it's purchasing a home or car, access to credit, or seeking financial advice, we have the tools needed to make sound financial decisions. We are a member-owned, not-for-profit institution dedicated to meeting the needs of our membership, you.

We thank you for your service as firefighters and firefighters' family members. From all of us that embody the Board of Directors, Supervisory Committee, Management, and Staff of your Credit Union, we thank you for the opportunity to serve you and be your trusted financial partner.

Balance Sheet As of December 31

ASSETS	2022	2021
Net Loan	163,536,087	142,896,421
Cash	28,017,698	26,965,804
Investments	137,332,789	159,263,565
Land	3,598,965	3,598,965
Net Building & Equipment	2,607,043	2,843,558
Other Assets	4,039,512	2,316,242
Total Assets	339,132,094	337,884,554

LIABILITIES & EQUITY

Total Liabilities	6,610,741	3,851,840
Shares	127,117,529	124,919,968
Share Drafts	64,877,523	65,118,416
Term Share Certificates	32,976,489	35,974,455
Money Management	51,289,383	54,007,542
IRA	10,590,606	10,834,237
Reserves	45,669,823	43,178,097
Total Equity	332,521,353	334,032,714
Total Liability & Equity	339,132,094	337,884,554

Income Statement For the period Jan. 1 - Dec. 31

INCOME	2022	2021
Net Loan Interest Income	6,884,055	6,643,432
Investment Income	1,930,332	1,425,398
Other Income	4,970,088	3,574,937
Total Income	13,784,475	11,643,767
EXPENSE		
Compensation and Benefits	4,649,508	4,984,979
Travel and Conferences	111,680	93,981
Office Operations	868,903	950,697
Education and Promotion	171,476	139,986
Professional Services	2,467,789	2,440,358
Provision for Loan Losses	28,431	-161,886
Annual Meeting	16,800	6,000
Other Operating Expenses	1,286,935	1,293,498
Total Operating Expenses	9,601,522	9,747,613
Income From Operations	4,182,953	2,471,554
NCUSIF Impairment	0	0
(Gain)/Loss on Disposition of Assets	0	0
Income Before Dividends	4,182,954	2,471,554
Dividends Expense	1,691,288	1,004,865
Net Income (35)	\$2,491,666	\$1,466,689

Supervisory Report

DORSEY MCLEROY

Chairman, Supervisory Committee



The Supervisory Committee is responsible for the review of the overall financial operations of the Credit Union. The Committee ensures the Credit Union's internal controls are properly utilized and that the Credit Union policies are being followed.

During the year, the Committee along with Management, reviews and responds to requests we receive from the membership. Members' concerns are addressed on a personal basis when needed and corrections or changes to policies or procedures are implemented as necessary. This review helps HTFFFCU maintain the highest level of service for all members.

Annually, the Committee conducts an internal audit of the financial records of the Credit Union. The audit this past year was coordinated and performed by Doeren Mayhew CPAs in accordance with government and audit guidelines. Additionally, the federal regulatory agency NCUA (National Credit Union Administration) examiners also performed a periodic supervisory examination.

We are pleased to report that during 2022, no material areas of concerns were found by the auditors or examiners and your Credit Union is considered to be in excellent financial condition.

On behalf of my fellow Committee members, Jackie Metcalfe, Victor Boudreaux, and David Lantrip, we would like to thank you, the members, for your continued support.

Secretary's Report

JERRY WALKER

Secretary, Board of Directors



The 87th Annual Business Meeting of the Houston Texas Fire Fighters Federal Credit Union convened at the SPJST Lodge, 1435 Beall Street on Tuesday, March 29, 2022.

Chairman Brian McLeroy called the meeting to order at 7:00 p.m.

David Lantrip led the meeting in prayer.

There was a moment of silence for active and retired firefighters and members that were lost during the past year.

McLeroy introduced the Board of Directors and Supervisory Committee members.

The minutes of the 2021 Annual Meeting were approved.

Pam McIver gave the report of the President/CEO. She also introduced the credit union staff and recognized Rosie Serrano as Employee of the Year.

Chairman of the Supervisory Committee, Dorsey McLeroy, gave the results of the 2022 Board of Directors election.

Dwight Boykins, Rick Flanagan, and David Lantrip were unopposed. Philip Malek was added to the Board to replace an open position.

There being no unfinished or new business to conduct, the meeting adjourned at 7:20 p.m.



BOARD OF DIRECTORS

Brian McLeroy III, *Chairman*

Bruce Koger, *Vice Chairman*

Jerry E. Walker, *Secretary*

G.W. "Skip" North, *Treasurer*

Dwight Boykins, *Director*

Phil Cemino, *Director*

Rick Flanagan, *Director*

David Lantrip, *Director*

Philip Malek, *Director*

SUPERVISORY COMMITTEE

Dorsey McLeroy, *Chairman*

Victor Boudreaux, *Member*

Jackie Metcalfe, *Member*

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