



HOUSTON TEXAS FIRE FIGHTERS FEDERAL CREDIT UNION

2020



ANNUAL REPORT

CHAIRMAN'S REPORT

Welcome to the 86th Annual Meeting of the Houston Texas Fire Fighters Federal Credit Union and thank you for joining us this evening.

I want to recognize our Board of Directors for their leadership, dedication and passion for this Credit Union. Those are key qualities for long-term sustainability and prosperity, and 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 unequivocally that we do.

I am proud to announce that our Credit Union has again been rated as well-capitalized with a net worth ratio of 13.62%. To put that ratio in perspective, a net worth ratio of 7 percent is considered well-capitalized, which is the highest rating awarded by our federal regulators.

The growth of HTFFFCU continues as we ended 2020 with assets of over \$306 million, and a total membership count of over 17,200.

Financially, we also had a good year with net income of over \$1 million.

These results were achieved during a year when our community suffered through the coronavirus pandemic. During the second quarter of the year, we were forced to close all but our Main Office for several weeks in support of a general lockdown of our community. For the remainder of the year our staff worked diligently to meet your financial needs, while keeping our branch locations safe and healthy for our members and staff.

And while we continue to deal with the challenges of the COVID-19 pandemic, we will continue to strive to exceed your expectations while offering the best service possible during these difficult times.

Thank you again for joining us tonight, and thank you for your loyalty as a member of the Houston Texas Fire Fighters Federal Credit Union.

Brian McLeroy III
Chairman,
Board of Directors



TREASURER'S REPORT

In 2020, your Credit Union continued its record of positive results. The Credit Union's net worth ratio, a measure of financial strength, was 13.62% at the end of the year. Total assets ended the year at \$306.2 million, with share deposits of \$261.3 million and loans of \$142.7 million.

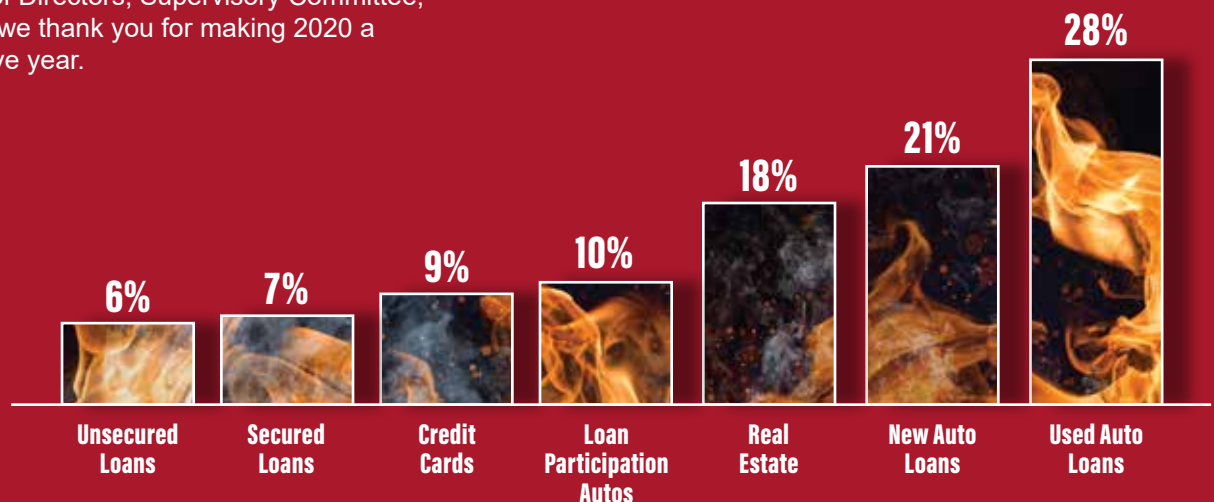
The Statement of Financial Condition and Results of Operations for the years ending 2019 and 2020 are provided in this Annual Report for your review.

On behalf of the Board of Directors, Supervisory Committee, Management and Staff, we thank you for making 2020 a successful and productive year.

Skip North
Treasurer,
Board of Directors



Loan Portfolio at a Glance



PRESIDENT'S REPORT

2020 was a challenging year in many regards. The coronavirus pandemic hit in March, which resulted in a city-wide lockdown of our community. As an essential business, we were able to keep our Main Office open to continue to meet the needs of our members. To help our members during this difficult period, the credit union extended loan due dates and offered multiple months of payment skips on credit cards.

The pandemic brought with it an economic recession, resulting in reduced loan demand and significant growth in deposits, which contributed to the growth in our total assets, which ended the year at over \$300 million.

During this difficult year, we did have some noteworthy accomplishments that I would like to share with you.

For example, we extended our Credit Card Rewards Program to all members who have an HTFFFCU Visa card. Our Visa Credit Card Program now offers low rates, no annual fees and reward opportunities where you can earn valuable points as you use your Visa credit card.

In 2019, we launched our online financial education program, with Banzai as our partner. With Banzai, members can learn about ways to better manage their money and improve their credit scores. In 2020, we trained our Credit Union Ambassador, Mike Holt, and our AVP-Area Manager, Elizabeth Wright, as certified financial counselors who can meet with members to help build family budgets and explore ways to save money.

For those members who are business owners or thinking of starting a business, we partnered with a third party called Credit Union First Responders (CUFR) who provide financing options for firefighter credit union members. And, for our members who financed their home loan through the credit union, your loan information is now available on both our online and mobile banking applications.

As a financial cooperative, we are member-owned and not-for-profit. This allows us to focus all of our energy and resources on meeting and exceeding the financial needs of our members. We have no investors or shareholders, so our net income goes to our reserve account, which we consider our "Rainy Day" fund, should we face economic headwinds in the future.

As members of the Community, and particularly during this pandemic and last month's horrific winter storm, we thank you for your service as firefighters and firefighter family members. And as the Board, Supervisory Committee, Management and Staff of your Credit Union, we thank you for the opportunity to be your financial services provider and to serve you today and well into the future.

Steve Gilman
President & CEO
and Management Team



BALANCE SHEET

As of December 31	2020	2019
Assets		
Net Loan	142,236,857	146,343,539
Cash	36,565,006	21,319,636
Investments	117,651,677	97,058,195
Land	3,598,965	3,598,965
Net Building and Equipment	3,160,466	3,091,340
Other Assets	3,021,201	1,897,521
Total Assets	306,234,172	273,309,196
Liabilities and Equity		
Total Liabilities	3,221,416	3,188,909
Shares	106,435,700	88,115,381
Share Drafts	57,009,435	46,005,435
Term Share Certificates	40,860,077	42,243,981
Money Management	45,725,093	41,931,130
IRA	11,271,176	11,152,093
Reserves	41,711,275	40,672,267
Total Equity	303,012,756	270,120,287
Total Liability and Equity	306,234,172	273,309,196

INCOME STATEMENT

For the period Jan. 1 - Dec. 31	2020	2019
Income		
Net Loan Interest Income	6,839,237	7,019,340
Investment Income	2,016,811	2,383,605
Other Income	3,241,288	2,991,187
Total Income	12,097,337	12,394,132
Expenses		
Compensation and Benefits	4,973,968	5,159,639
Travel and Conferences	63,350	131,174
Office Operations	958,838	865,640
Education and Promotion	135,099	111,074
Professional Services	2,307,420	2,356,093
Provision for Loan Losses	92,685	515,375
Annual Meeting	4,000	24,000
Other Operating Expenses	1,119,146	1,154,874
Total Operating Expenses	9,654,505	10,317,869
Income From Operations	2,442,832	2,076,262
NCUSIF Impairment	0	0
(Gain)/Loss on Disposition of Assets	0	2
Income Before Dividends	2,442,832	2,076,260
Dividends Expense	1,404,036	1,402,994
Net Income (35)	\$1,038,796	\$673,266

SUPERVISORY REPORT

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 Credit Union policies are being followed.

Annually, the Committee conducts an external audit of the financial records of the Credit Union. The audit was performed by Doeren Mayhew CPAs in accordance with government and audit guidelines.

We are pleased to report that during 2020, no material areas of concern were found by the auditors. Your Credit Union is considered to be in excellent financial condition.

On behalf of my fellow Committee members, Philip Malek, Kathryn Sharp, and Janice Bruce, we would like to thank the members for your continued support.

Dorsey McLeroy
Chairman,
Supervisory Committee



SECRETARY'S REPORT

The 85th Annual Business Meeting of the Houston Texas Fire Fighters Federal Credit Union convened via Zoom on Tuesday, June 23, 2020.

Chairman Brian McLeroy called the meeting to order at 5:00 p.m.

David Lantrip led the meeting in prayer.

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

McLeroy introduced the Board of Directors and Supervisory Committee members.

There was a motion and second to approve the minutes of the 2019 Annual Meeting. Motion carried. All reports are included in the 2019 Annual Report.

Steve Gilman gave the President's Report.

Gilman recognized Kay Thomas as the Employee of the Year.

Chairman of the Supervisory Committee Dorsey McLeroy gave the results of the 2020 Board of Directors election. He stated that there were four applicants for the four open positions on the board. No election was necessary and Janice Bruce, Phil Cemino, Bruce Koger, and Dwight Boykins were elected by acclamation.

There being no unfinished or new business to conduct, the meeting adjourned at 5:12 p.m.

Jerry Walker
Secretary,
Board of Directors



2020

BOARD OF DIRECTORS

Brian McLeroy III | Chairman
Bruce Koger | Vice Chairman
Jerry E. Walker | Secretary
G.W. North | Treasurer
Phil Cemino | Director
Janice Bruce | Director
Rick Flanagan | Director
David Lantrip | Director
Dwight Boykins | Director

SUPERVISORY COMMITTEE

Dorsey McLeroy | Chairman
Philip Malek | Member
Kathryn Sharp | Member



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