



2020 ANNUAL REPORT



KEEPING CONNECTED



HERITAGE
COMMUNITY CREDIT UNION

Profit Wherever You Go

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William J. Windle, *Chairperson*

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Vice Chairperson

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Rachel Long, *Associate Board Member*

Kevin Quaintance,
Associate Board Member

SUPERVISORY COMMITTEE

Sharon Hannan, *Chairperson*

Robert L. Collins, *Secretary*

Judy Hoover, *Member*

EXECUTIVE MANAGEMENT

Ed Turk, *President/CEO*

Matt Harms, *CFO*

Chad Suggs, *VP Information Technology*

Christine Haroldson, *VP Lending &
Member Services*



CHAIRMAN & PRESIDENT'S REPORT

2020 was a year like no other in our history. When the COVID-19 pandemic hit in early spring, HCCU's focus quickly changed to help members who were financially impacted by the pandemic and resulting financial strains. The Board wishes to commend our dedicated staff who were able to quickly change directions to address the urgent needs of our membership during such a challenging and unpredictable time.

Due to changing priorities caused by the pandemic, HCCU paused and/or delayed a few key initiatives to allow resources to be freed up to best serve the immediate needs of the membership. We made an early decision to deliver financial relief for members by offering a record number of loan forbearances, skip payments, and fee waivers and reductions. The credit union processed more than 700 loan payment deferments (forbearances or skip payments), providing hundreds of thousands of dollars of payment relief, and allowing impacted members to redirect those funds for everyday living expenses. Additionally, more than 5,400 fees were waived and/or reduced.

As a credit union, one of our main purposes for existing is to grant loans to members. Rather than pulling back lending efforts as is normal during an economic crisis, HCCU made the early decision that we could help our members and community further by granting even more loans. In 2020, we set a record by granting nearly \$48 million in new loans to members. Fueled by low mortgage rates we were able to help members refinance and, as a result, lower their monthly payments by hundreds of dollars, shorten the duration of their mortgages, and collectively save tens of thousands of dollars in interest.

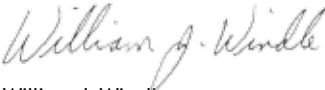


Unfortunately, we were not immune from the health and safety impacts of COVID-19. We apologize for the inconvenience that resulted at times with periodic branch restrictions, limited access, and reduced hours. We will continue to minimize adverse impacts in this regard as much as possible. We sincerely thank you for your understanding as we do our part to keep all staff and members safe.

In 2021, we look forward with renewed optimism that better days are ahead for our members, staff, and community. We will continue to fuel economic activity in our region as we look to expand lending programs and offer additional products and services.

Profit Wherever You Go is our brand promise to you, our members. Whether in person, online or via a mobile device or tablet, HCCU stands ready to serve our members' needs through all life stages. Our Winning Team is committed to serving you whenever you have a need. We know you have many choices for your financial needs, and we are honored that you continue to choose Heritage Community Credit Union.

From our credit union family to yours, we wish you good health, good fortune, and financial wellness in 2021 and beyond. Thank you for being a valued member.



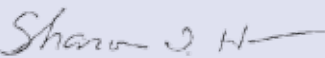
William J. Windle,
Chairman of the Board



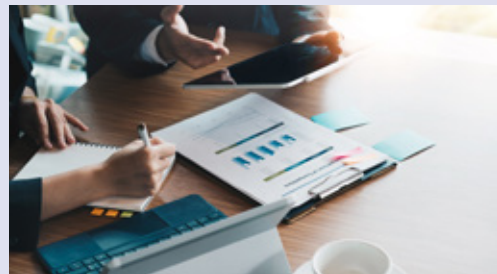
Ed Turk,
President/CEO

SUPERVISORY COMMITTEE REPORT

On behalf of the membership, the Heritage Community Credit Union Supervisory Committee is responsible for overseeing the financial records and monitoring and evaluating the credit union's operations and compliance practices. Based on the results of HCCU's comprehensive annual audits, conducted by the certified public accounting firm of Moss-Adams, LLP, HCCU's operations are in compliance with all applicable rules and regulations, and our financial reports are properly prepared and accurately reflect your credit union's sound financial conditions.



Sharon Hannan,
Chairperson Supervisory Committee



STATEMENT OF FINANCIAL CONDITION		2020	2019
ASSETS			
Loans	\$	178,894,440	\$ 185,087,952
Cash		1,596,994	2,095,132
Investments		39,690,790	14,140,582
Share Insurance Fund		1,969,900	1,930,411
Premises and Equipment		1,908,646	2,220,338
Other Assets		12,870,018	11,126,542
TOTAL ASSETS	\$	236,930,788	\$ 216,600,957
LIABILITIES			
Accounts Payable and Accrued Expenses	\$	1,580,786	\$ 1,088,998
Due to Other Financial Institutions		5,000,000	0
<i>Total Liabilities</i>	\$	6,580,786	\$ 1,088,998
Commitments and Contingencies		0	0
EQUITY			
Member Accounts	\$	209,745,841	194,947,650
Regular Reserve, Undivided Earnings		20,604,161	20,564,309
<i>Total Equity</i>	\$	230,350,002	\$ 215,511,959
TOTAL LIABILITIES AND EQUITY	\$	236,930,788	\$ 216,600,957

STATEMENT OF INCOME		2020	2019
REVENUE			
Interest on Loans	\$	6,693,194	\$ 6,962,521
Interest on Investments		215,391	495,046
Fee Income and Other Income		2,643,641	2,077,007
TOTAL REVENUE	\$	9,552,226	\$ 9,534,574
EXPENSES			
Salaries and Benefits	\$	3,444,688	3,391,139
Office Operations		1,642,697	1,506,829
Office Occupancy		657,407	652,239
Marketing/Promotions		146,311	212,966
Professional and Outside Services		747,709	822,922
Loans Servicing Expenses		199,320	188,377
Provision for Loan Losses		1,976,838	629,238
Member Insurance (NCUSIF)		0	0
Other Operating Expenses		67,891	140,938
TOTAL EXPENSES	\$	8,882,861	\$ 7,544,648
Net Income Before Dividends		669,365	1,989,926
Dividends on Member's Accounts		643,747	949,080
NET INCOME/(LOSS)	\$	25,618	\$ 1,040,843



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