

BUILDING LEGACIES

ACROSS GENERATIONS



ANNUAL REPORT 2024



CHAIRMAN'S REPORT

Brian McIeroy III, Chairman Board of Directors



Welcome to the 90th Annual Meeting of the Houston Texas Fire Fighters Federal Credit Union.

Another year has come and gone but never the level of outstanding service that we aim to provide you. Trust, Service, Prosperity, and Family continue to be the driving forces of HTFFFCU.

Your financial wellness and process efficiencies were the focus of 2023. Due to inflationary pressures and anticipated layoffs, your Credit Union introduced the Financial Wellness Program, Second Chance Checking Account, enhanced digital banking services, and rebranded the Teen Club as the Alpha+ Club. The Financial Wellness Program was created to assist members with budgeting, debt consolidation, and goal setting. Members may have an unacceptable checking account history and are seriously ready to make sound financial decisions to properly manage a checking account. With this in mind, the Second Chance Checking account was developed. Loan payoff information, card controls, credit card

balance transfers, Captain Mac chatbot, and Wait Smarter are a few of the enhancements made on our digital platform. And lastly, our Teen Club Program was re-vamped to include the latest digital channels to interact and engage our teens and young adults.

HTFFFCU ended 2023 with assets of over \$336 million and total membership grew by 563 members. Financially, we had a great year with net income of over \$2.6 million. With a net worth ratio of 14.29%, 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.

Your Board of Directors is committed to your overall financial resilience and strives 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.

Meeting your needs and exceeding your expectations is our top priority. Staying abreast of the latest trends, maintaining competitive loan and dividend rates, and providing A+ service is how we ensure that our line of products and services are relevant and sustainable. We could not do this without an amazing team. As your Credit Union's leadership, we are responsible for ensuring that we have an experienced, competent, and trustworthy management team, and I can say that we do. We are proud of our staff and appreciate their contribution to the success of the organization.

Thank you 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 financial resilience. It maintains its financial stability and positive results. The credit union's capital ratio, a measure of financial strength, was 14.29% at the end of the year. This exceeds the industry average by more than 2.86%. The National Credit Union Administration (NCUA) considers ratios greater than 7% to be well-capitalized. The Credit union assets ended the year at \$336,994,847 with loans totaling \$176,157,665. Share deposits totaled \$283,157,878.

The Statement of Financial Condition and Results of Operations for the years ending December 31, 2023, and 2022 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 2023 a successful and productive year.

Loan Portfolio at a Glance

Used Auto Loans

29%

New Auto Loans

25%

Real Estate

24%

Loan Participation Autos

2%

Credit Cards

9%

Secured Loans

6%

Unsecured Loans

6%



PRESIDENT'S REPORT

Pam McIver, President & CEO
Management Team

Your credit union has experienced another amazing year. The borrowers and savers have benefited from competitive loan and term certificate rates. Albeit inflation remains elevated for housing, food, and energy.

Nevertheless, we are delighted to serve a resilient, bold, and fearless membership. Your needs are our top priority. We were thrilled to help families purchase and refinance their homes. There were 36 mortgage loan originations; 1,176 auto loans financed, and credit cards peaked at \$16.2 million. Total loans increased by 8% from the previous year.

Our capital position remains very strong, and earnings remain positive. In addition to our financial health, your financial well-being is vitally important to us. To combat stressful financial situations, a new program was developed to tackle your financial and educational needs. The Financial Wellness Program provides financial tools, resources, and financial education on budgeting, saving, investing, and managing debt. Everyone has been impacted by higher food and energy costs and other economic challenges. Our certified counselors are available to assist your needs.

During the year we rebranded our Teen Program to meet the interests of our adolescents. The new Alpha and Alpha Plus programs are designed to provide financial education with a holistic understanding of what it means to save, invest, and borrow. The young members receive financial education through gaming, podcasts, and mini videos along with prizes and rewards for various milestones. Equipping our future entrepreneurs, doctors, lawyers, athletes, and influencers for financial independence is our ultimate goal.

Additionally, we are committed to offering you innovative digital banking services to assist with managing your finances and your time. Wait Smarter allows members to get in-line for lobby services prior to arrival. We will continue to enhance the digital banking experience, and we are excited to roll out new features soon.

Our team will continue providing timely products and services with an enthusiastic attitude and sincere heart to meet your financial needs and make your dreams a reality. We will continuously monitor internal operations to ensure maximum efficiency and excellent service. Whether it's purchasing a boat, recreational vehicle (RV), automobile, personal loan, 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.

Thank you for your service as firefighters and firefighters' family members. And as the Board of Directors, Supervisory Committee, Management, and Staff of your Credit Union, we thank you for the opportunity to be your trusted financial partner.

It is a privilege to serve our credit union family, and we look forward to a healthy and prosperous 2024.

FINANCIALS

Net Worth Ratio **14.29%**

Membership **17,549**

Balance Sheet as of December 31

ASSETS	2024	2023
Net Loan	167,699,196	175,379,696
Cash	26,277,053	28,070,065
Investments	208,467,775	123,251,252
Land	3,598,965	3,598,965
Net Building & Equipment	2,358,807	2,450,497
Other Assets	3,874,842	4,244,371
TOTAL ASSETS	412,276,638	336,994,847

LIABILITIES & EQUITY

Total Liabilities	5,049,808	5,674,174
Shares	159,621,397	121,182,719
Share Drafts	79,215,999	66,556,914
Term Share Certificates	63,535,417	42,448,244
Money Management	44,442,224	41,584,025
IRA	9,736,413	1,385,977
Reserves	50,675,380	48,162,795
TOTAL EQUITY	407,226,831	331,320,673
TOTAL LIABILITY & EQUITY	412,276,638	336,994,847

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

INCOME	2024	2023
Net Loan Interest Income	9,051,830	8,100,956
Investment Income	5,862,644	3,327,027
Other Income	4,158,473	4,349,337
TOTAL INCOME	19,072,947	15,777,319

EXPENSE

Compensation and Benefits	5,481,940	4,778,887
Travel and Conferences	166,357	121,645
Office Operations	926,769	882,612
Education and Promotion	199,806	209,383
Professional Services	2,653,926	2,726,084
Provision for Loan Losses	424,284	1,030,359
Annual Meeting	36,000	33,600
Other Operating Expenses	1,542,796	1,429,716
Total Operating Expenses	11,431,877	11,212,286
Income From Operations	7,641,070	4,565,033
NCUSIF Impairment	40	0
(Gain)/Loss on Disposition of Assets	0	5
Income Before Dividends	7,641,030	4,565,028
Dividends Expense	4,358,334	1,930,557
NET INCOME (35)	\$3,282,696	\$2,634,471



SUPERVISORY REPORT

Dorsey McLeroy, Chairman, Supervisory Committee

The Supervisory Committee is responsible for providing overall assurance that management has established and maintained effective internal controls to protect the financial health of the credit union and safeguard your assets.

To help with this process, the Supervisory Committee engaged the services of Doeren Mayhew CPAs and Advisors to audit the credit union's financial statements. We are pleased to report that during 2023, no material areas of concern were found by the auditors. Your credit union remains financially strong and operationally effective with sound practices and procedures. Your credit union is in good financial condition and in compliance with state and federal regulations.

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



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*



SECRETARY'S REPORT

Jerry Walker, Secretary, Board of Directors

The 88th Annual Meeting of the Houston Texas Fire Fighters Federal Credit Union convened at the SPJST Lodge, 1435 Beall Street on Tuesday, March 28, 2023.

Vice Chairman Bruce Koger called the meeting 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.

Koger introduced the Board of Directors and Supervisory Committee members.

The minutes of the 2022 Annual Meeting were approved.

Pamela McIver gave the report of the President/CEO. She recognized the Employee of the Year, Shelah Buxton, and introduced the credit union staff.

Supervisory Committee Member Jackie Metcalfe gave the results of the 2023 Board of Directors election. Phil Cemino, Bruce Koger, and Philip Malek were unopposed.

There being no unfinished or new business to conduct, the meeting was adjourned at 7:15 p.m.

Supervisory Committee

Dorsey McLeroy, *Chairman*
Victor Boudreaux, *Member*
Jackie Metcalfe, *Member*



4200 Kolb Street | Houston | Texas 77007
713-864-0959 | HTFFFCU.org

