

2022  
ANNUAL  
REPORT



**HERITAGE**

COMMUNITY CREDIT UNION

*Profit Wherever You Go*

## **BOARD OF DIRECTORS**

Bobbi K. Beehler, *Chairperson*

Harry E. "Ed" Hannan, Jr., *Vice-Chairperson*

Allan F. Wisnicky, *Treasurer*

William J. Windle, *Secretary*

Jofil Borja, *Director*

Huong V. Vu, *Director*

Kevin Quaintance, *Director*

Tammy Davis, *Associate Board Member*

## **SUPERVISORY COMMITTEE**

Sharon Hannan, *Chairperson*

Robert L. Collins, *Secretary*

Judy Hoover, *Member*

Peter Thomsen, *Associate Member*

## **EXECUTIVE MANAGEMENT**

Ed Turk, *President/CEO*

Matt Harms, *CFO*

Chad Suggs, *VP Information Technology*

Christine Haroldson, *Chief Lending Officer*

Craig Engstrom, *VP Member Services*

## CHAIRPERSON & PRESIDENT'S REPORT

2022 was a positive year for HCCU, thanks to you, our members. While members were recovering from pandemic impacts, sharply rising interest rates, and 40-year high inflation, the Credit Union was able to assist members in weathering the storm.

For more than a decade, low interest rates have benefited borrowers. Many members were able to finance mortgages at record low interest rates in 2020-2021. In 2022, interest rates skyrocketed, muting the housing market. However, this shift in the rate environment provided the opportunity for the Credit Union to continuously raise yields offered to members on our Kasasa Checking and Savings Account products. The rewards on these accounts continue to be robust and well above other products in the market. Members also took advantage of several certificate savings promotions to lock in high fixed rate earnings.

The Credit Union experienced strong growth for the 10th consecutive year, breaking through a milestone of \$250 million in total assets and granting a record-breaking \$52 million in loans to members. This success allowed the Credit Union to reinvest earnings to enhance the financial well-being of members with better rates, new products and services, more benefits, and enhanced technology solutions.

In 2022, we focused heavily on opportunities to provide a superior member experience. Significant revisions were made to overdraft programs to greatly reduce the fees assessed and capping total fees incurred by members. Improvements were also made to optimize and upgrade existing technology, mobile banking functionality, and more. Additionally, the Credit Union was proud to launch successful loan programs to help members overcome affordable housing issues.

For several years, HCCU has served those who live, work, or attend school in Sacramento and Placer Counties. In late 2021, the Credit Union expanded its field of membership to include El Dorado, San Joaquin, and Yolo Counties. We are grateful for being well received in these new markets and to our existing members who have contributed to the Credit Union's success.

The Credit Union also partnered with the Financial Fitness Association to bring additional financial education and resources to the membership. Given our common

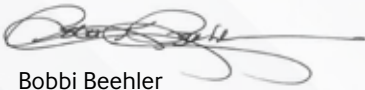


bond of improving financial well-being, any member of the Financial Fitness Association is eligible for membership at HCCU.

As we look ahead to 2023 and beyond, we remain committed to investing in the development of our dedicated staff. Our goal is to ensure members have the best possible service experience in the marketplace.

**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 2023 and beyond. Thank you for being a valued member.



Bobbi Beehler  
*Chairperson, Board of Directors*

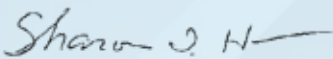


Ed Turk,  
*President/CEO*

## SUPERVISORY COMMITTEE REPORT

On behalf of the membership, the Supervisory Committee's primary responsibilities are to ensure that financial reporting objectives are met and that practices, procedures and internal controls are sufficient to safeguard our members' interests. The Supervisory Committee holds periodic meetings to review internal audits, third-party reports of internal controls and examinations by regulatory agencies. In addition, the Supervisory Committee engaged the independent firm of Moss Adams LLP, certified public accountants, to perform an audit of the 2021 Heritage Community Credit Union's financial statements and is currently engaging the firm of Turner, Warren, Hwang & Conrad AC, certified public accountants, to perform the audit of the 2022 Heritage Community Credit Union financial statements. Based on the results of the audits and regulatory examinations, it is the opinion of the Supervisory Committee that Heritage Community Credit Union continues to maintain a high level of financial reporting and provide adequate safeguards to protect our members' interest.

We wish to express our appreciation to the Board of Directors, executive leadership, and staff for their continued support.



Sharon Hannan,  
*Chairperson Supervisory Committee*

**CONDENSED STATEMENTS OF  
FINANCIAL CONDITION****2022****2021****ASSETS**

Loans	\$ 210,589,888	\$ 176,280,280
Cash and Cash Equivalents	11,517,302	34,327,755
Investments	26,855,453	22,679,837
Other Assets	17,071,598	15,671,634
<b>Total Assets</b>	<b>\$ 266,034,241</b>	<b>\$ 248,959,506</b>

**LIABILITIES AND MEMBERS' EQUITY**

Members' Shares	\$ 239,228,490	\$ 223,523,636
Subordinated Debt	2,000,000	2,000,000
Accrued Expenses and Other Liabilities	2,741,392	1,792,847
Members' Equity	22,064,359	21,643,023
<b>Total Liabilities And Equity</b>	<b>\$ 266,034,241</b>	<b>\$ 248,959,506</b>

**CONDENSED STATEMENTS OF INCOME****2022****2021****INTEREST INCOME**

Interest on Loans	\$ 6,396,761	\$ 6,148,127
Interest on Investments and Cash Equivalents	492,801	167,407
<b>Total Interest Income</b>	<b>6,889,562</b>	<b>6,315,534</b>

**INTEREST EXPENSE**

Dividends on Members' Shares	645,402	347,405
Subordinated Debt	106,192	8,444
<b>Total Interest Expense</b>	<b>751,594</b>	<b>355,849</b>

**NET INTEREST INCOME****6,137,968**      **5,959,685****PROVISION FOR LOAN LOSSES****(119,357)**      **259,666****NET INTEREST INCOME AFTER  
PROVISION FOR LOAN LOSSES****6,257,325**      **5,700,019****NON-INTEREST INCOME**

Fee Income	904,532	924,577
Other Income and Gains	1,147,738	1,448,877
<b>Total Non-Interest Income</b>	<b>2,036,770</b>	<b>2,373,454</b>

**NON-INTEREST EXPENSE**

Salaries and Benefits	4,007,689	3,479,733
Operation Expenses	3,157,425	2,871,461
Office Occupancy	661,057	668,550
Other Expenses and Losses	15,500	8,900
<b>Total Non-interest Expense</b>	<b>7,826,171</b>	<b>7,028,644</b>

**NET INCOME****\$ 467,924**      **\$ 1,044,829**

## **FOLSOM**

707 E. Bidwell Street  
Folsom, CA 95630

## **FAIR OAKS**

5329 Sunrise Boulevard  
Fair Oaks, CA 95628

## **GOLD RIVER**

2155 Golden Centre Lane  
Gold River, CA 95670

## **MAILING ADDRESS**

P.O. Box 790  
Rancho Cordova, CA 95741

**916.364.1700**  
**[www.heritageccu.com](http://www.heritageccu.com)**



**HERITAGE**

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Federally insured by the NCUA.

