

# HART FORD HEALTHCARE FEDERAL CREDIT UNION

4 Wethersfield Avenue  
Hartford, CT 06114  
860-547-0027  
[www.hhcu.org](http://www.hhcu.org)

## Branch Locations:

Hartford Hospital  
85 Jefferson Street  
Hartford, CT 06111  
860-545-3176

Hartford Hospital-  
Newington Campus  
181 Patricia M Genova  
Newington, CT 06111  
860-677-5202

## ATM Locations:

- HHFCU Main Office
- Hartford Hospital Cafeteria
- Hartford Hospital—Newington Campus
- Batterson Park, Farmington
- CT Children's Medical Center, Hartford, Ambulatory Entrance
- CT Children's Medical Center, East Hartford
- CT Children's Medical Center, Farmington
- Institute of Living, Donnelly Building, Hartford
- Clinical Lab Partners, Newington
- Hebrew Healthcare, West Hartford
- Riverside Health & Rehabilitation Center, East Hartford
- The Shack, Manchester
- Super Convenience Store, Manchester
- Windham Hospital, Willimantic
- William W Backus Hospital, Norwich



2016  
Annual  
Report

**HART  FORD  
HEALTHCARE  
FEDERAL CREDIT UNION**

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## President's Report

62 years ago, when our founders created the Credit Union, Dwight D. Eisenhower was President of the United States. The average cost of a new home was \$22,000. Average annual income was \$4,137. A new Ford averaged \$2,000. Milk was \$0.92 cents a gallon and gas was \$0.23 cents a gallon. While those prices bring those of us old enough to remember back to a nostalgic place, the reality of the financial needs and pressures of those times aren't very different from what we see today. As such, just like back in 1955, for 2016 your Credit Union focused on continuing to provide the very best services we can, to help you financially and to make your membership truly the best it can be.

In 2016, we undertook important changes and updates to our staffing, to our services and our technology.



**Carol Bayreuther, President/CEO**

We adjusted our organizational chart and brought aboard new staff to better assist you, our members, in the delivery of the best quality service we can provide. We remain so incredibly fortunate to be able to attract new employees who add to and complement our existing staff.

We began the process of rebuilding our website and updating of our online services. You have told us that online banking and ease of access to your financial information is a priority. Our new website will be launched in mid-2017 along with new features at our branches like paperless receipts.

We worked with our vendors to ensure that your data and our systems remain as safe and secure as possible. With incidents of fraud on the rise every day, we maintain our efforts to protect you.

While all of this important work of the Credit Union was going on, we also worked hard to make your visit and interaction with us more than just a visit. We continued our long standing tradition of having a theme in our offices each quarter, and 2016 was no exception. We tied those themes into promotions, charitable activities and helping others. We continued to provide important and meaningful educational opportunities to our staff and the volunteers on your Board of Directors. We explored opportunities to physically expand the Credit Union and asked for your feedback and opinions.

From those humble beginnings in 1955 of just a handful of Hartford Hospital employees, today, your Credit Union is nearly 12,000 members strong. We look forward to continuing to provide you with the best financial resources and to being your financial partner in life. Thank you for being a member.

Carol "B"

Carol Bayreuther, President/CEO

## Staff

Carol Bayreuther, President/CEO

Alan Schumann, VP of Member Experience

Eric Berthel, VP of Strategic Outreach

Andrew Sylvester, Chief Financial Officer

Christine Apruzese, Director of EFT & Compliance

Emerlida Zeqo, Senior Manager Member Experience

Margaret De Jesus, Senior Manager Loan Experience

Jane Alicea

Penny Manganello

Dianne Blass

Shannon Pastizzo

Alex Bleicher

Brandon Prude

Phyllis Buccheri

Nilda Nieves

Lidyanne Burgos

Iris Sanjurjo

Tamara Colon

Dan Skinner

Dolores Henderson

Rosalyn Stevens

Destiny Jackson

Jeanne Victor

Suzanne LeBlanc



**Board, Committee Members & Staff of HHFCU**

## Board of Directors

Raymond Kowalski, Chairperson  
Michael Smith, Vice Chairperson  
Bobbi McNeil, Treasurer  
Sally Moore, Secretary  
Zoe Ann Durkin  
Scott Organek  
Angel Rentas  
Timothy Squires  
Patricia Wettlaufer



**HHFCU's 5 Star Rating  
by Bauer Financial**

## Supervisory Committee



**Staff Member Dan Skinner with CEO  
Carol Bayreuther Celebrating with  
Special Olympics Torch & Medals**

Timothy Squires, Chairperson  
Mark Cesaro  
Johanna Karbonic  
Darlene Sawczynsyn  
Carol Wardell

## Chairman's Report

It is with pleasure that I present the 2016 Chairman's report, which encompasses my second full year of serving as Chairman, and more than 36 years as a Board Member. 2016 was another year of continued growth and many successes for the Credit Union. We undertook a change to the organizational chart to allow us to better serve our members and again welcomed new talent to the organization. I say again with complete confidence that the Credit Union Board and Staff are made up today of some of the finest people anywhere.



**Raymond Kowalski, Chairman**

The Credit Union had another busy year implementing additional technology upgrades, expanding its social media presence, continuing the ongoing education of our staff and, for the first time ever, opening its first business member account!

All current staff completed the CUNA Certified Credit Union Financial Counselor program, which will allow them to provide an even greater amount of financial assistance and advice to our members. New staff are enrolled in the program and will also become certified. Staff and Board took advantage of education opportunities that included attending the CULCT Annual Meeting, the CUNA Governmental Affairs Conference and the CULCT Leadership Meeting. Members of the Board attended the Health Care Credit Union Conference, where they had the opportunity to network and share ideas with other healthcare specific Credit Unions from across the nation. The Credit Union also attended and sponsored many charitable and fundraising events throughout the year, in support of our mission to give back to the community we serve.

We continued our annual "ride-on car" donation program to assist the Surgical Department at Connecticut Children's Medical Center. For 10 years running, the Credit Union has been a sponsor of the Healthcare Heroes event in Connecticut and we have played a key role in the financial literacy of kids throughout the state by participating in the Financial Reality Fairs. To date we have worked with more than 20,000 kids. The Credit Union also participated in the Hartford Hospital Black and Red gala as well as other activities in direct support of Hartford Healthcare Corporation and its affiliates.

With all of the other commitments, we were able to end the year 2016 with a positive income of \$158,848.67. However, the strength of the Credit Union lies in our membership, our Board of Directors and staff. On behalf of the Board, I congratulate the staff for a job well done. Thank you for being a part of this great Credit Union.

Respectfully Submitted,

Raymond Kowalski,

Chairman

## Treasurer's Report



The Hartford Healthcare Federal Credit Union ended 2016 with a net income of \$158,848.67. This allowed the Credit Union to increase our net worth to 9.48% compared to 9.40% for 2015.

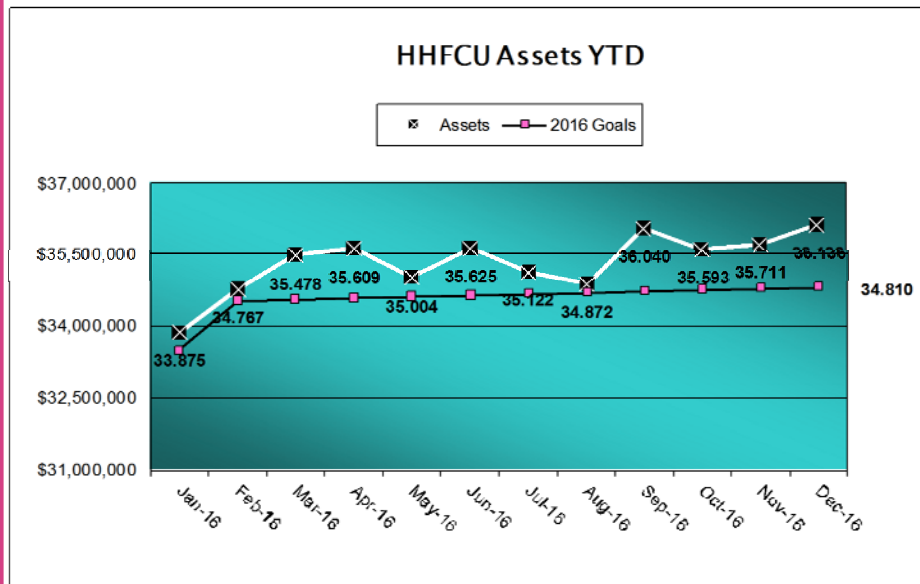
We adhered to strong underwriting standards on our member loans and maintained our delinquency ratio at 2.12%. The Credit Union saw an asset increase of 4.85% and a loan growth of 1.04%. We did not have to fund the NCUA assessment as we had to do the past five years.

NCUA is our examining agent. They presented a favorable report for 2015 with no identified control issues. We anticipate an operating gain in 2017 of \$125,312. This steady increase in income as well as enhanced services will allow the Credit Union to better serve our members.

Respectfully Submitted,  
Bobbi McNeil, Treasurer

**Bobbi McNeil, Treasurer**

### 2016 HHFCU Assets



## Minutes of the 2015 Annual Meeting

The annual meeting of the Hartford Healthcare Credit Union was called to order at the Town & County Club, Hartford, CT at 6:00pm by Chairperson Raymond Kowalski. A quorum was determined with 79 attendees. Mr. Kowalski introduced the Board of Directors, President/CEO, Committee Members, staff and special guests.

Board Members present: Sally Moore, Raymond Kowalski, Zoe Ann Durkin, Bobbi McNeil, Scott Organek, Angel Rentas and Michael Smith.

Also present: Carol Bayreuther, President/CEO

Absent: Timothy Squires.

Guests: Alex, Allyson, Brian & Emma Duffin, Children's Miracle Network from CCMC.

### Minutes:

Copies of the Annual Meeting for 2015 were distributed. A motion was made by Zoe Ann Durkin and seconded by Michael Smith, to accept the minutes as presented. The motion passed.

Reports of the Chairperson, Treasurer, Credit Committee, Supervisory Committee and President/CEO were accepted as presented.

Zoe Ann Durkin motioned to accept the reports as presented. Michael Smith seconded. The motion passed.

### Old Business:

None.

### New Business:

None.

### Nominations for Board of Directors:

Johanna Karbonic, Chairperson of the Nominating Committee was asked to present the committee's recommendations for the four, two year Board of Directors positions.

Angel Rentas, Raymond Kowalski, Bobbi McNeil, Scott Organek and Patricia Wettlaufer were presented as nominations from the Nominating Committee.

Nominations were asked from the floor. There being none, the final slate of officers was presented by the Nominating Committee.

Sally Moore cast the one vote to accept the slate of officers.

### Presentations:

Scott Organek from the Connecticut Children's Medical Center spoke about the partnership with the Children's Miracle Network.

The Duffin Family, led by Brian Duffin, spoke of Emma's journey with Connecticut Children's Medical Center and the support of Children's Miracle Network. Their resounding theme of "hope changes everything" was shared with the audience.

There being no further business to come before the Board, Chairperson Raymond Kowalski adjourned the meeting at 6:30 p.m.

Respectfully Submitted,

Sally Moore, Secretary, Raymond Kowalski, Chairperson

## Supervisory Committee Report

During the year, the Committee reviewed and followed up on the National Credit Union Administration (NCUA) Exam and recommendations with the management team. The Committee employed the firm of Whittlesey & Hadley, P.C. to perform the internal audit for period ending September 30, 2016.

The Committee met four times during the year, reviewing the following: time and attendance process; overdraft and negative accounts; credit/loan concentration risk, travel expenses; bank reconciliations; employee, committee and Board member loans; general ledger validation process; Board of Directors attendance; financials; sick and vacation time accruals. This year the Committee also discussed new products/services such as the Lending 360, the Call Center, and updates to various policies and the website.

Based on these reviews and the Hartford Healthcare Federal Credit Union records, the financial statements are in conformity with generally accepted accounting practices and regulatory principals applied on a consistent basis and fairly represent the position of the Credit Union.



**HHFCU Donating a Ride on Car to Patients**

Thank you to the members of the Supervisory Committee: Joanna Karbonic, Darlene Sawczynsyn, Carol Wardell, and Mark Cesaro for their service of the past year.

Respectfully Submitted,  
**Timothy Squires,**  
 Supervisory Committee Chairman

## Credit Committee Report

As of December 31, 2016, we had 3,367 loans totaling \$27,288,720.

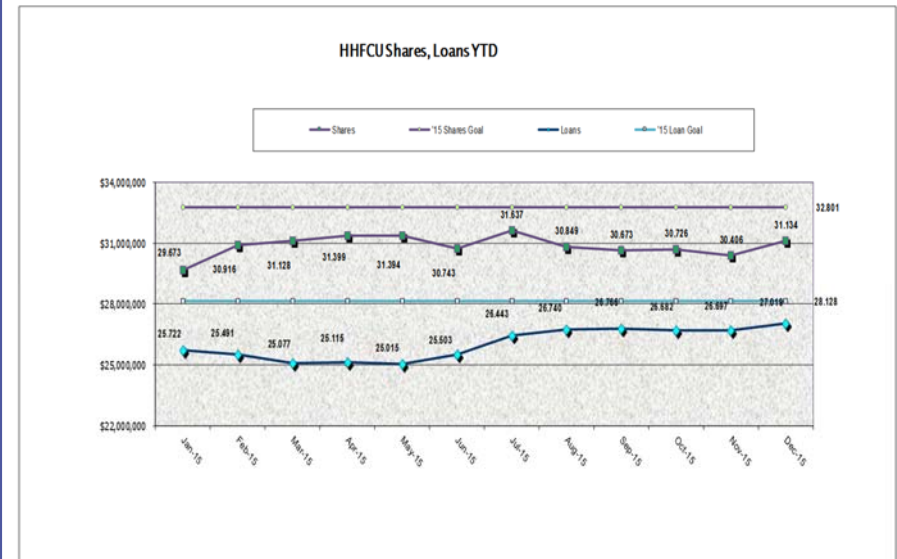
During the year, the Credit Committee approved \$10,684,113 in new loans. The mix of approved loans was as follows: Unsecured loans \$5,710,133, Auto, secured \$2,816,910, Real Estate \$2,065,308 and Student loans \$91,762. The Credit Committee adhered to the strict underwriting standards set by the board and maintained a delinquency rate of 2.12% at year end.



**Alan Schumann,**  
 VP of Member Experience

Respectfully submitted,  
 Alan Schumann,  
 VP of Member Experience

### HHFCU's Shares & Loans for 2016



## Financials

### HARTFORD HEALTHCARE FEDERAL CREDIT UNION

December 31, 2016

ASSETS		LIABILITIES	
Loans	24,457,147.01	Accounts Payable	28,440.28
Loans- VISA	2,843,056.09	Visa in Process	-
<b>Total Loans</b>	<b>27,300,203.10</b>	Notes/Insurance Payable	-
Less: Allow for Ln Loss	(102,023.01)	Dis/Life Insurance Payable	221.00
Less: Allow for Shr Loss	-	Insurance Payable-Loan Setup	369.05
<b>Net Loans</b>	<b>27,198,180.09</b>	Dividends Payable	-
Cash	385,141.16	Taxes Payable:	
Accts Receivable	828,901.23	Fed W/H/SS Tax Payable	1,560.13
Investments:		401K Payable	2,146.72
Corporate	-	Other Payable	-
Overnight	-	Accrued Expenses	104,695.12
Settlement	(724,314.46)	Transfer Accounts	-
Alloya Perpetual Contributed Capital	1,557,630.03	CUSC Transactions	(5,601.63)
Debit Card Funding Account	17,316.00		
Certificates & Securities	5,706,000.00	<b>Total Liabilities</b>	<b>131,830.67</b>
Security Discounts/Premiums	-		
Long Term Investment - CUSO	300,000.00		
Accrued Income:		<b>EQUITY</b>	
Accr Inc on Certs, Other	14,471.06	Shares	19,958,592.15
Accr Inc on Loans	55,068.71	Drafts	3,895,818.07
Prepaid Expenses	73,525.40	Clubs	3,472,356.94
Fixed Assets:		Certificates	3,640,858.33
Software	531.00	IRA's	1,612,307.07
Hardware	11,971.60	Total Shares	<b>32,579,932.56</b>
Furniture & Equipment	79,154.24	Regular Reserves	495,412.25
Leasehold Improvements		Undivided Earnings	2,928,910.36
Other Assets:		Net Income	0
Building	40,890.13	Reserves	<b>3,424,322.61</b>
Building Improvement	230,986.96	<b>Total Equity</b>	<b>36,004,255.17</b>
Land	50,000.00		
NCUSIF	310,632.69		
		<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>36,136,085.84</b>
<b>TOTAL ASSETS</b>	<b>36,136,085.84</b>		

## Financials

### HARTFORD HEALTHCARE FEDERAL CREDIT UNION

#### Statement of Financial Condition

December 31, 2016

<b>Operating Income</b>	
Interest on Loans	1,304,669.19
Interest Income: Visa Loans	301,374.84
Income From Investments	66,001.10
Fees and Charges	686,328.45
Other Misc Income	222,596.89
<b>Total Operating Income</b>	<b>2,880,970.47</b>
<b>Operating Expense</b>	
Salary and Wages	1,223,454.36
Benefits	372,312.55
Travel and Conference	56,111.55
Association Dues	15,971.16
Office Occupancy	106,232.10
Office Operating Expense	240,601.71
Business Accounts Expense	1,303.50
Computer Expense	67,209.95
Education and Promotion	37,788.53
Business Development	3,762.64
Loan Servicing	141,331.30
Outside Services	223,743.22
Provision for Loan Losses	127,601.51
Supervision/Exam	8,762.17
Cash Over and Short	(115.00)
Interest on Borrowed Money	160.98
Annual Meeting Expense	3,057.99
Misc Operating Expenses	356.88
Building Reserve	7,644.00
<b>Total Operating Expense</b>	<b>2,637,291.10</b>
<b>Income (Loss) from Operations</b>	<b>243,679.37</b>
<b>Income(Loss) before Dividends</b>	<b>243,679.37</b>
<b>Dividends</b>	<b>(84,830.70)</b>
<b>Net Income</b>	<b>158,848.67</b>
Expense/Income	<b>0.87</b>
Exp/Inc (excl NCUA Assess)	<b>0.87</b>