

# 2017 Annual Report



**Honolulu Fire  
Department**  
Federal Credit Union

[HFDFCU.org](http://HFDFCU.org)

*Your Lifeline for a Lifetime*



## Chairman's Report

Last year marked our credit union's 80<sup>th</sup> in service to Hawaii's firefighters and their families. In true fire 'ohana style, we celebrated in very low-key ways, but let's not forget: '80' is a big milestone!

In Hawaii, credit unions have dwindled from several hundred to today's fewer than 60. Even as that number shrinks, our credit union shows its strength in the same 'low-key' style that represents our members.

Our Board and the credit union's management team took our 80<sup>th</sup> anniversary as a turning point to sharpen our focus on our core members. I'm excited for what's to come in the rest of 2018. I think you will be, too!

Aloha!

Keith P. Williams

BOARD CHAIRMAN



## CEO's Report

Welcome to 2018! Like our Board Chairman alluded to above, I'm also excited about what we've got in store for our great members this year.

Our successes in 2017 really paved the way for the work we've put in for what's to come in 2018. Our management team has worked hard to refocus our credit union toward our core members. I'm excited to see those efforts roll out over the coming months – and even past 2018. These innovations will really drive home what role our members play in the success of our credit union.

I truly thank you for your continued loyalty and membership in helping Honolulu Fire Department Federal Credit Union succeed!

Jon K. Mitomi

CHIEF EXECUTIVE OFFICER



## Treasurer's Report

Honolulu Fire Department Federal Credit Union had a successful 2017 with total assets, deposits, and loans all increasing over last year.

With this success, we added to the credit union's capital resulting in a Net Worth Ratio of 10.44%, which exceeds the 7.00% threshold which the National Credit Union Administration considers to be 'well capitalized.' We rely on our strong net worth position to continue serving our members and withstand any unexpected economic challenges.

I would like to thank the Board of Directors and staff for making 2017 such a successful year. Thank you to our members for their continued trust and support.

Melvin Tsutsumi  
BOARD TREASURER



## Supervisory Committee Report

The credit union's Supervisory Committee is appointed by its Board of Directors and is charged with ensuring member funds

are secure. We review the credit union's financial records and operations to ensure compliance with federal and other regulations.

The Committee met regularly to meet its charge and engaged Kwock & Company CPAs to complete an annual review of the credit union's financial condition. I am pleased to report that our credit union continues to operate in a safe and sound manner while preserving the integrity of our member shares and loans.

On behalf of the Committee, I convey my thanks to the Board of Directors, leadership, and staff for their support. I also thank our members for their continued trust in Honolulu Fire Department Federal Credit Union.

Mark Kuwaye  
SUPERVISORY COMMITTEE CHAIRMAN

## Statement of Financial Condition

As of December 31, 2017 – WHOLE DOLLARS

### LOANS AND CASH

Loans	32,953,791
Less Allowance for Loan Losses	(782,557)
Cash	4,531,186

### INVESTMENTS

Federal Agency Securities	1,773,257
Corporate Centrals	4,020
Banks & S&Ls	31,107,172
Investment in Central Liquidity Facility	165,467
Total Investments	33,049,916

### OTHER ASSETS

Land & Building (net)	1,188,271
Other Fixed Assets (net)	15,471
NCUSIF Capital Deposit	600,253
All Other Assets	244,562

**Total Assets** \$71,800,894

### LIABILITIES & SAVINGS

Accounts Payable	115,976
Dividends Payable	2,230
All Other Liabilities	847,264
Share Certificates	6,877,083
Share Draft Accounts	10,350,962
IRA/Retirement	2,007,382
Other Member Savings	44,149,704
Total Liabilities & Savings	64,350,601

### EQUITY

Regular/Statutory Reserves	1,713,534
Undivided Earnings	5,736,759
Total Equity	7,450,293

**Total Liabilities,  
Savings, and Equity** \$71,800,894

## Statement of Income

As of December 31, 2017 – WHOLE DOLLARS

### OPERATING INCOME

Interest on Loans (net)	1,612,415
Income from Investments	612,506
Total Interest Income	2,224,921

Total Dividend Expense	110,509
Interest on Borrowed Money	2,592
Net Interest Income	2,111,821

Provision for Loan Losses	(214,933)
Net Income After Provision for Losses	1,896,888

### OPERATING EXPENSES

Employee Compensation	581,118
Employee Benefits	163,609
Travel & Conference	47,664
Association Dues	17,352
Office Occupancy	136,273
Office Operations	330,769
Advertising & Promotion	136,763
Loan Servicing Expenses	176,835
Professional & Outside Services	377,640
Member Insurance	0
Operating Fees (NCUA)	16,170
Miscellaneous Operating Expenses	35,354
Total Operating Expenses	2,019,547

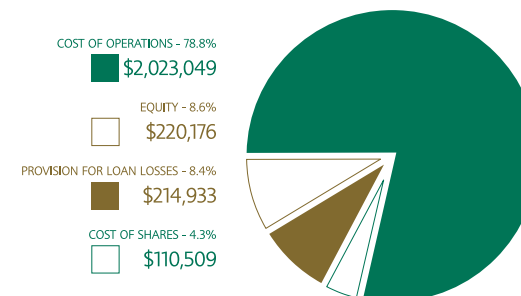
Total Other Operating Income	346,337
Total Non-Operating Income/(Expense)	(3,502)

**Net Income** \$220,176

## Distribution of Income

As of December 31, 2017 – WHOLE DOLLARS

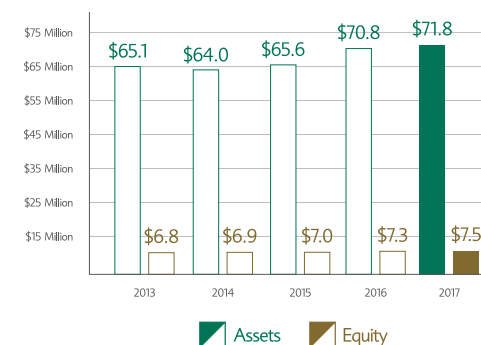
### BREAKDOWN OF TOTAL INCOME RECEIVED



## Equity & Asset Growth

As of December 31, 2017

### OVER FIVE YEARS



# Meeting Minutes

80th Annual Meeting – March 11, 2017

Board Chairman Keith Williams recognized the credit union's volunteers and the credit union's current staff.

**CALL TO ORDER** Chairman Keith Williams called the 80<sup>th</sup> Annual Meeting of the Honolulu Fire Department Federal Credit Union to order at 5:08 pm, which took place at the Manoa Grand Ballroom on Saturday, March 11, 2017. There being no objections, Chairman Williams appointed the following for the meeting: Tanya Kaahanui, Recording Secretary; Treasurer Melvin Tsutsumi, Parliamentarian; and Secretary Henry "Hardy" Akau, Sergeant-at-Arms.

**QUORUM** Chairman Williams called upon Director Kevin Lyons of the Credentials Committee for his report. Director Lyons reported a total of 20 members present, which meets the minimum of 15 as required by HFDFCU By Laws as a quorum. There being no questions, those present agreed by consensus that a quorum was met.

**AGENDA** Chairman Williams reviewed the agenda of the meeting, which was distributed. There being no questions or corrections, the agenda was approved.

**APPROVAL OF MINUTES** Chairman Williams requested those in attendance review the minutes of the previous meeting, the credit union's 79<sup>th</sup> Annual Meeting as printed in the 2017 Annual Report, which was distributed. There being no questions or corrections, the minutes were approved.

**OFFICIALS' REPORTS** Chairman Williams asked attendees to review the Chairman's, CEO's, and Treasurer's Reports as printed in the 2017 Annual Report, as distributed.

**COMMITTEE REPORTS** Chairman Williams asked members in attendance to review the Supervisory Committee's Report as printed in the 2017 Annual Report. Hearing no questions or corrections, the report was approved.

**UNFINISHED BUSINESS** Chairman Williams asked attendees if there was any 'unfinished business' to discuss. Hearing no mentions, he continued to 'New Business.'

**NEW BUSINESS** Chairman Williams asked attendees if there was any 'new business' to discuss. Hearing no calls for 'new business,' Chairman Williams moved on and encouraged attendees to review the 2017 Annual Report in full. He made note that members would be very proud of the achievements of the credit union, which are always a direct result of the support and loyalty of members.

**ADJOURNMENT** There being no further business, with a motion by Denise Torres and seconded by Sherri Tsutsumi, Chairman Williams adjourned the meeting at 5:19 pm. Prizes were then distributed to attendees.

## Board of Directors

Keith P. Williams, Chairman  
Hiram K. Keliipio, Vice Chairman  
Henry E. K. Akau, Secretary  
Melvin H. Tsutsumi, Treasurer  
Alexander K. Beck, Jr., Director  
Kevin J. Lyons, Director  
Guy N. Katayama, Director

## Supervisory Committee

Mark K. Kuwaye, Chairman  
Michael Pangilinan, Member  
Daniel Yamashiro, Member  
Joseph Kemmler, Jr., Member  
Gary Viela, Member

## Staff

Jon K. Mitomi, Chief Executive Officer  
Guy Usui, VP, Controller  
Doug Mashino, Marketing & Business Development  
Daniel S. Dick, Financial Services Manager  
Hollie Kamai, Operations Manager  
Renee Shintani, Accountant  
Stephanie Liza Escusa, Financial Services Officer  
Michele Florentin, Financial Services Officer  
Ashley Flores, Financial Services Representative



## **Honolulu Fire Department Federal Credit Union**

1200 North School Street  
Honolulu, Hawaii 96817  
808-853-2355

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