

# 2018 Annual Report



**Honolulu Fire  
Department**  
Federal Credit Union

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

*Your Lifeline for a Lifetime*





## Chairman's Report

With 2018 being my last full year as an HFD Federal Credit Union official, I depart knowing the credit union is prepared for the future with good leadership in management and on its Board of Directors.

I thank my fellow Board members for their trust in having me serve in such an important role. And I bid a fond aloha to credit union management and staff who always make our credit union shine.

Above all, thank you to our members who continue to believe in HFD Federal Credit Union as I do.

Aloha!

Keith P. Williams

BOARD CHAIRMAN



## CEO's Report

Several years back, our Board of Directors approved a 'Future Plan' for our credit union to recommit to our core members – our firefighter members and their ohana.

At the time, most of Hawaii's credit unions were expanding into what became known as "community credit unions," which left their core members' needs forgotten. Our Board of Directors wanted to ensure our core members were never left behind.

This Plan, which unfolded over several years, started with a reorganizing of operations, policies, and staff; And culminated in 2018 with technology and infrastructure investments. We'll cap-off our Future Plan in 2019 and I encourage you to watch closely for enhancements to member service.

Of particular note: Our Future Plan came to exist because of the vision and leadership of our Board of Directors. That leadership has been steady under the direction of our Board Chairman Keith P. Williams, who is retiring after more than 30 years as a credit union volunteer.

As Chairman Williams makes his departure, we thank him not just for his vision and leadership, but for believing in our credit union. Aloha, Chief!

Jon K. Mitomi

CHIEF EXECUTIVE OFFICER

## Meeting Minutes

### 81<sup>st</sup> Annual Meeting March 10, 2018

Board Chairman Keith Williams recognized the credit union's two retiring volunteers, Melvin Tsutsumi and Henry "Hardy" Akau. Chairman Williams also acknowledged other volunteers and the credit union's current staff.

**CALL TO ORDER** Chairman Keith Williams called the 81<sup>st</sup> Annual Meeting of the Honolulu Fire Department Federal Credit Union to order at 11:16 am, which took place at 3660 on the Rise Restaurant on Saturday, March 10, 2018. There being no objections, Chairman Williams appointed the following for the meeting: Renee Shintani, Recording Secretary; Guy Katayama, Parliamentarian; and Henry "Hardy" Akau, Sergeant-at-Arms.

**QUORUM** Chairman Williams called upon Supervisory Committee Chairman Mark Kuwaye of the Credentials Committee for his report. Committee Chairman Kuwaye reported a total of 23 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 80<sup>th</sup> Annual Meeting as printed in the 2018 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 2018 Annual Report, as distributed.

**COMMITTEE REPORTS** Chairman Williams asked members in attendance to review the Supervisory Committee's Report as printed in the 2018 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 2018 Annual Report in full. Chairman Williams made note of the hard work and commitment to the credit union of its staff and management; He thanked everyone.

**ADJOURNMENT** There being no further business, with a motion by Jon Mitomi and seconded by Henry "Hardy" Akau, Chairman Williams adjourned the meeting at 11:25 am.



## Treasurer's Report

Honolulu Fire Department Federal Credit Union remains a solid financial institution.

At year-end 2018, total assets were \$70.5 million, member deposits at \$61.6 million and loans at 35.7 million. We added \$200,604 in 2018 to capital. This resulted in a Net Worth Ratio of 10.74%, which is considered by the credit union's federal regulator, the National Credit Union Administration (NCUA), "well capitalized," as it's above 7.00%.

The credit union's net worth is made up of retained earnings and regular reserves, and is essential for its stability and health. In addition, net worth also serves as a major source of financing for the credit union's future growth.

I express my gratitude to the credit union's Board of Directors, volunteers, management, and staff for always being there for our members. Thank you to the members for your continued trust and support. Our credit union is your "Lifeline for a Lifetime."

Kevin J. Lyons  
BOARD TREASURER



## Supervisory Committee Report

The credit union's Supervisory Committee is appointed by its Board of Directors with a charge to ensure member funds are secure.

We review the credit union's records and operations to ensure compliance with federal and other regulations. The Committee met regularly to meet this 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 Supervisory Committee, I convey my thanks to the Board of Directors, managers, and staff for their support. Most importantly, I thank our members for their continued trust.

Mark K. Kuwaye  
SUPERVISORY COMMITTEE CHAIRMAN

## Statement of Financial Condition

As of December 31, 2018 – WHOLE DOLLARS

### LOANS AND CASH

Loans	35,774,281
Less Allowance for Loan Losses	(724,456)
Cash	4,239,311

### INVESTMENTS

Federal Agency Securities	1,499,334
Corporate Centrals	980
Banks & S&Ls	27,614,064
Investment in Central Liquidity Facility	173,962
Total Investments	29,288,340

### OTHER ASSETS

Land & Building (net)	1,163,835
Other Fixed Assets (net)	10,964
NCUSIF Capital Deposit	602,352
All Other Assets	173,962

Total Assets **\$70,560,532**

### LIABILITIES & SAVINGS

Accounts Payable	275,343
Dividends Payable	5
All Other Liabilities	1,076,922
Share Certificates	6,532,288
Share Draft Accounts	10,464,882
IRA/Retirement	1,898,841
Other Member Savings	42,735,058
Total Liabilities & Savings	62,983,339

### EQUITY

Regular/Statutory Reserves	1,713,534
Undivided Earnings	5,863,660
Total Equity	7,577,194

Total Liabilities,  
Savings, and Equity **\$70,560,532**

## Statement of Income

As of December 31, 2018 – WHOLE DOLLARS

### OPERATING INCOME

Interest on Loans (net)	1,744,451
Income from Investments	608,618
<u>Total Interest Income</u>	<u>2,353,069</u>

Total Dividend Expense	116,257
Interest on Borrowed Money	92
<u>Net Interest Income</u>	<u>2,236,720</u>

Provision for Loan Losses	(237,086)
<u>Net Income</u>	<u>1,999,635</u>
After Provision for Losses	1,999,635

### OPERATING EXPENSES

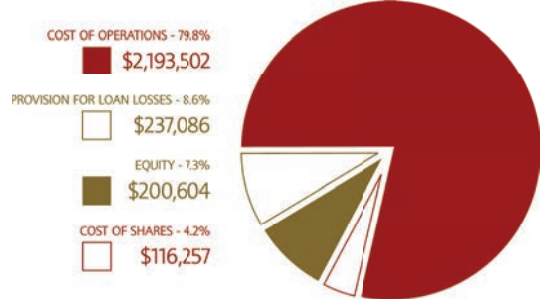
Employee Compensation	620,649
Employee Benefits	158,801
Travel & Conference	60,000
Association Dues	19,763
Office Occupancy	140,308
Office Operations	374,450
Advertising & Promotion	114,015
Loan Servicing Expenses	120,707
Professional & Outside Services	407,346
Member Insurance	0
Operating Fees (NCUA)	18,964
Miscellaneous Operating Expenses	49,663
<u>Total Operating Expenses</u>	<u>2,084,666</u>

Total Other Operating Income	394,472
Total Non-Operating Income/(Expense)	(108,836)

<u>Net Income</u>	<u>\$200,604</u>
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## Distribution of Income

As of December 31, 2018 – WHOLE DOLLARS



## Equity & Asset Growth

As of December 31, 2018





## Board of Directors

Keith P. Williams, Chairman  
Alexander K. Beck, Jr., Vice Chairman  
Guy N. Katayama, Secretary  
Kevin J. Lyons, Treasurer  
Hiram K. Keliipio, Director  
Joseph Kemmler, Jr., Director  
Gary Viela, Director

## Supervisory Committee

Mark K. Kuwaye, Chairman  
Michael Pangilinan, Member  
Daniel Yamashiro, Member

## Management & Staff

Jon K. Mitomi, Chief Executive Officer  
Guy Usui, VP, Controller  
Doug Mashino, Marketing & Business Development  
Daniel S. Dick, Financial Services Manager  
Renee Shintani, Accountant  
Michele Florentin, Financial Services Officer  
Nicholas J. Sims, Financial Services Officer  
Malia Madriaga, Senior Financial Services Representative  
Ashley Flores, Financial Services Representative  
Rosemary P. Saito, Financial Services Representative



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

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