

HONOR[®]
CREDIT UNION



2018

ANNUAL REPORT

Come Be Part of It!

NCUA

National Credit Union Administration

STATEMENT OF FINANCIAL CONDITION

BALANCE SHEET

YEAR ENDED DECEMBER 31

ASSETS

| | 2018 | 2017 |
|---------------------|-----------------------|-----------------------|
| Net Loans | \$ 754,692,133 | 678,857,671 |
| Total Cash | 45,467,238 | 29,788,261 |
| Total Investments | 80,710,810 | 91,446,375 |
| Total Fixed Assets | 34,306,025 | 34,259,384 |
| Total Other Assets | 18,835,763 | 18,256,325 |
| TOTAL ASSETS | \$ 934,011,968 | \$ 852,608,015 |

LIABILITIES

| | | |
|---------------------------------------|-----------------------|-----------------------|
| Total Other Liabilities | \$ 59,873,183 | \$ 51,724,742 |
| Total Deposits | 768,878,861 | 705,693,071 |
| Total Equity | 105,259,925 | 95,190,203 |
| TOTAL LIABILITIES & EQUITY | \$ 934,011,969 | \$ 852,608,015 |

INCOME STATEMENT

YEAR ENDED DECEMBER 31

INCOME

| | 2018 | 2017 |
|------------------------------|-------------------|-------------------|
| Total Loan Interest Income | \$ 36,033,618 | \$ 28,700,156 |
| Total Cash | 252,186 | 160,231 |
| Total Investment Income | 1,615,788 | 1,590,550 |
| TOTAL INTEREST INCOME | 37,901,592 | 30,450,937 |
| Total Other Liabilities | 995,239 | 809,756 |
| Total Dividends | 3,691,964 | 2,506,516 |
| NET INTEREST INCOME | 33,214,390 | 27,134,664 |

| | | |
|----------------------------------|-------------------|-------------------|
| Fee Income | 13,320,311 | 11,884,898 |
| Total Operating Income | 8,078,633 | 6,461,921 |
| TOTAL NON-INTEREST INCOME | 21,398,945 | 18,346,820 |

Expenses

| | | |
|------------------------------------|---------------------|--------------------|
| Total Employee Expenses | \$ 25,582,108 | \$ 20,339,408 |
| Total Card Expenses | 3,282,769 | 3,076,525 |
| Total Office Operations | 1,641,465 | 1,488,332 |
| Total Other Operating | 11,395,834 | 9,632,660 |
| TOTAL NON-INTEREST EXPENSES | 41,902,176 | 34,536,925 |
| Provision for Loan Losses | 3,003,367 | 3,025,610 |
| Non-Operating Income | 640,988 | 794,136 |
| NCUSIF Inc | 408,593 | 0 |
| Federal Taxes | 20,904 | 43,280 |
| Net Income | \$10,736,468 | \$8,669,804 |

CHAIRMAN'S REPORT

"2018 was a year of continued investment in the communities Honor Credit Union serves and the Honor team that makes it all possible. We partnered with over 12,000 new member-owners. The financial success of each individual member is paramount to the success of the collective organization, and the Honor team takes their obligation to meet member needs seriously..."

– Mimi Elwell, Board Chair

CEO'S REPORT

"As Honor has continued to grow, there is the constant focus on not losing touch with our communities or the individuals we serve each day. The growth is not successful if the organization loses sight of people. It is easy to lose sight, but it cannot happen here. As we say internally, if you are not moving forward you are sliding back. It is important to not leave people behind when the move forward occurs."

– Scott McFarland, CEO

TREASURER'S REPORT

"In 2018 Honor celebrated a number of impressive milestones which include surpassing 82,000 members, \$700 million in loans, and \$900 million assets. These numbers are indicative of the commitment the Honor team has to its member promise, Providing Solutions For Your Financial Success. The credit union remains in a strong financial position, with low delinquency and a high net worth ratio."

– Mark Fry, Board Treasurer

2018 BOARD MEMBERS

Chair:
Mimi Elwell

Vice Chair:
Larry Olson

Secretary:
Brian Brown

Treasurer:
Mark Fry

Board Members: Ron Griesinger, Richard Atwell & Randy O'Neil

To see the full meeting recap,
visit www.HonorCU.com