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# ANNUAL MEETING



**Hershey**  
FEDERAL CREDIT UNION



**“Committed to the financial growth of our members, and making a positive impact on the community we serve.”**

# C O R E V A L U E S



## Service

Hershey FCU strives for excellent service and creating value for our members.



## Community

Hershey FCU believes in creating a sense of belonging and supporting others.



## Commitment

We are committed to giving our time and energy to serving our communities.



## Integrity

We value honesty, honoring our commitments, and respect.

# Leadership Report

Hershey Federal Credit Union is in the middle of an exciting era of resurgence and growth. Over the last few years, we have modernized our products and services to better meet the needs and busy lives of our membership today. The leadership of Hershey Federal Credit Union believes strongly in the power of small credit unions, living our mission of service, and making a positive impact on the financial lives of membership. We, as a small credit union, believe in supporting efforts to make our community a better place through volunteerism, financial support, and education initiatives. Hershey FCU has met our continuous goal to reinvest our membership support. By doing this, we have created beneficial products and services that positively impact our members and increase our engagement in the community.

Hershey FCU continues to partner with the Giving Tree of Hummelstown and Hershey, Caring Cupboard, and the Hershey Food Bank, amongst many other initiatives to make a positive impact. We continue to promote financial literacy through youth education programs and Banzai, our easy-to-use financial education portal. Through Banzai, members can learn about buying or refinancing a home, consolidating debt in the best and most affordable manner, as well as programs designed around budgeting for youth and adults. We hope to bring these programs to local school districts and libraries in our area, with a major focus on growing financial literacy initiatives in 2024.

In 2023, the leadership of Hershey FCU demonstrated the commitment to improving the financial lives of members through major digital and product enhancements. On June 28th, the credit union released our new online banking platform, revamped website, and mobile app. The new look and feel, along with added services for convenience, gave Hershey FCU members a digital service experience that is comparable to those of much larger financial institutions. The upgraded technology gives members more control at their fingertips with the ability to add a new share account, make a mobile deposit, easily manage bills, process a skip payment on a loan, customize their account profile, and easily transfer funds between accounts. Hershey FCU became an ACH originator, giving members the ability now to transfer funds back and forth from other financial institutions. The new support feature in Banno allows members to send support messages and questions directly to Hershey FCU team members online. Members can send images, forms, and attachments to make the overall service experience more detailed and convenient. Launching simultaneously to the online banking and mobile upgrades was a newly refreshed website, which improved functionality to make navigating your credit unions resources easier.

# Leadership Report *Continued*

As a final step in our upgrades, we also added a new online application tool, which allows both current and new members the opportunity to apply for a loan or share online. Members can even fund their new account via transfer from another financial institution. We are committed to being accessible to our members in various ways to continue our convenience standard. We will continue to provide excellent in-person service with our dedicated and skilled branch teams, while also evolving our digital services to match industry standards.

In August of 2024, Hershey FCU is excited to announce we will be merging members of Local #520 UA FCU into our membership. This will add roughly \$7.5 million in assets and 1,500 members to Hershey FCU. We are proud to have the opportunity to enrich the financial lives of the Local #520 members by providing access to our Hershey FCU products and services. Prior to the merger, our credit union has grown to over \$102 million in assets and our membership has grown 18% in the past 5 years. This merger will continue our path of growth and help to enrich the financial lives of our members as we reallocate resources back into the community.

In April of 2024, Hershey FCU announced our updated mission statement:

**“Committed to the financial growth of our members, and making a positive impact on the community we serve.”**

This mission statement serves as the focal point of our efforts, and it is supported by our core values of Service, Commitment, Community, and Integrity. These core values reflect our credit union focus of creating value for members by giving time and energy to assist them in achieving their financial goals. We acknowledge a common belonging in supporting our communities with honesty and respect for others.

Hershey Federal Credit Union exists to serve our membership and our community. We are thankful to have a growing, loyal, and diverse membership. We are proud of our history, and excited for the future ahead. We are committed to delivering outstanding member experience, delivering products and services that benefit our membership, and engaging in volunteer activities that benefit the communities we serve.

*Frank Wagner, Chairperson*

*Joseph E Marchese, Chief Executive Officer*

# Treasurer's Report

During 2023, Hershey FCU demonstrated a strong financial position, increasing liquidity, and demonstrating adequate capital management. The credit union continued a trend of asset growth over the last few years while demonstrating the ability to adapt to a changing economic environment. Year over year from 2022 to 2023 assets increased 1.81% by \$1.859 million, bringing Hershey FCU total assets to over \$104 million. This asset growth was the result of strong loan production throughout the year, as loans grew by 2.71% year over year. Member shares grew 2.46%. To meet loan demand the credit union issued \$3.662 million in non-member certificates to other financial institutions. Through a CD rate special, Hershey FCU made efforts to increase member certificates in the fourth quarter of the year, adding \$5.693 million. This balanced approach to growth helped the credit union maintain a stable and improving net worth ratio from 7.71% in 2022 to 8.58% by years end in 2023. Hershey FCU will continue to take a controlled approach to future growth and maintain an adequate capital position.

The credit union's interest income increased by 30.32% in 2023. This is attributable to a combination of loan growth and a rapidly rising interest rate environment. The credit union's loan interest grew by 29.68%, while investment interest increased 49.36%. The credit union paid approximately \$437,000 in dividends to members in 2023, which represented an increase of approximately \$317,000 from the prior year. Overall net income for the year was \$885,675.

The condensed financial statement is included in the Annual Report. Please review it for more information. The financial analysis shows that Hershey FCU continues to be secure and well-positioned for sustainable growth, managing the challenges brought on by the current economy. I thank the Board of Directors, Committees, Management and Staff for their continued dedication and assistance during the year to make Hershey FCU a strong financial partner for our members and for our community.

*Amy Hahn, Treasurer*

# ALCO Committee Report

The Asset/Liability Committee (ALCO) is made of Hershey FCU Board members and members of the Hershey FCU Senior Management Team. The committee meets to review loan and share rates, liquidity, investments and other financial and operational issues. The committee also discusses and reviews all the financial issues and has the authority to change rates, as needed, and act on other decisions. Asset and liability management is an important part of the credit union financial management. The Hershey FCU Board of Directors relies on the committee to act on their behalf and to be responsive to the needs of the credit union and its members. In 2024, Hershey FCU is positioned with adequate liquidity, a conservative investment approach, and controlled loan and asset growth. We have maintained an adaptable strategy and are well positioned for the future. Hershey FCU remains ready in its Asset and Liability Management approach to meet the needs of members and working to preserve the safety and soundness of the credit union.

I wish to thank the ALCO committee members: Paul Wagner, Jill Sottile, Michael Stern and Joseph Marchese for their assistance in 2023.

*Amy Hahn, Chairperson*

# Statement of Financial Condition

## Assets & Liabilities

*As of December 31, 2023 (Condensed)*

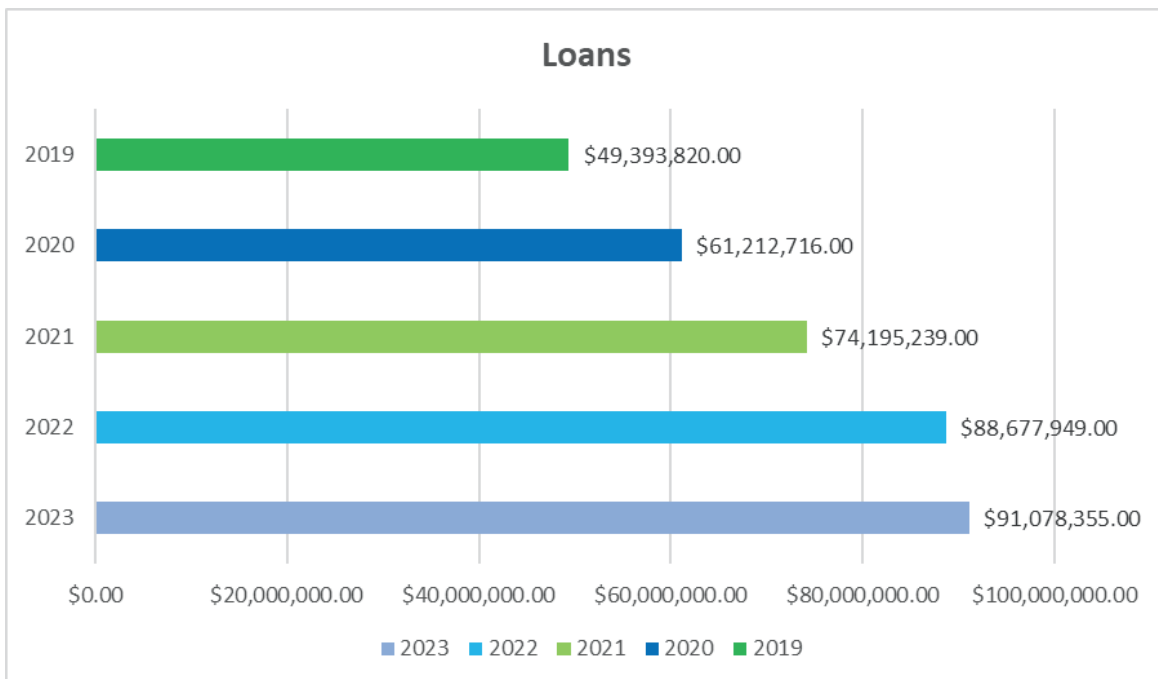
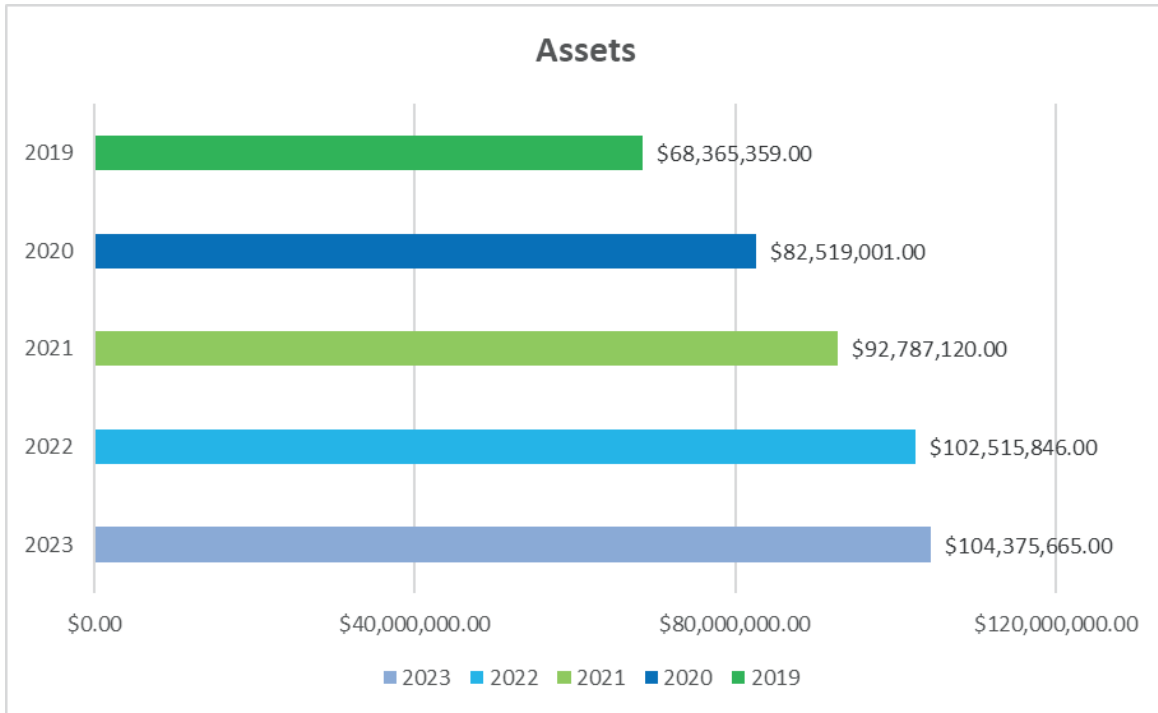
<b>Assets</b>	<b>2022</b>	<b>2023</b>
Loans (Net)	\$88,677,949	\$91,078,355
Cash & Investments	\$8,513,059	\$7,974,039
Other Assets	\$5,684,838	\$5,323,271
<b>Total Assets</b>	<b>\$102,515,846</b>	<b>\$104,375,665</b>
<b>Liabilities</b>	<b>2022</b>	<b>2023</b>
Deposits	\$89,602,475	\$91,807,931
Non-Member Deposits	\$0	\$3,662,000
Other Liabilities	\$5,146,166	\$270,854
<b>Total Liabilities</b>	<b>\$94,766,641</b>	<b>\$95,740,785</b>
Reserves	\$7,749,205	\$8,634,880
<b>Total Liabilities/Reserves</b>	<b>\$102,515,846</b>	<b>\$104,375,665</b>

## Income & Expenses

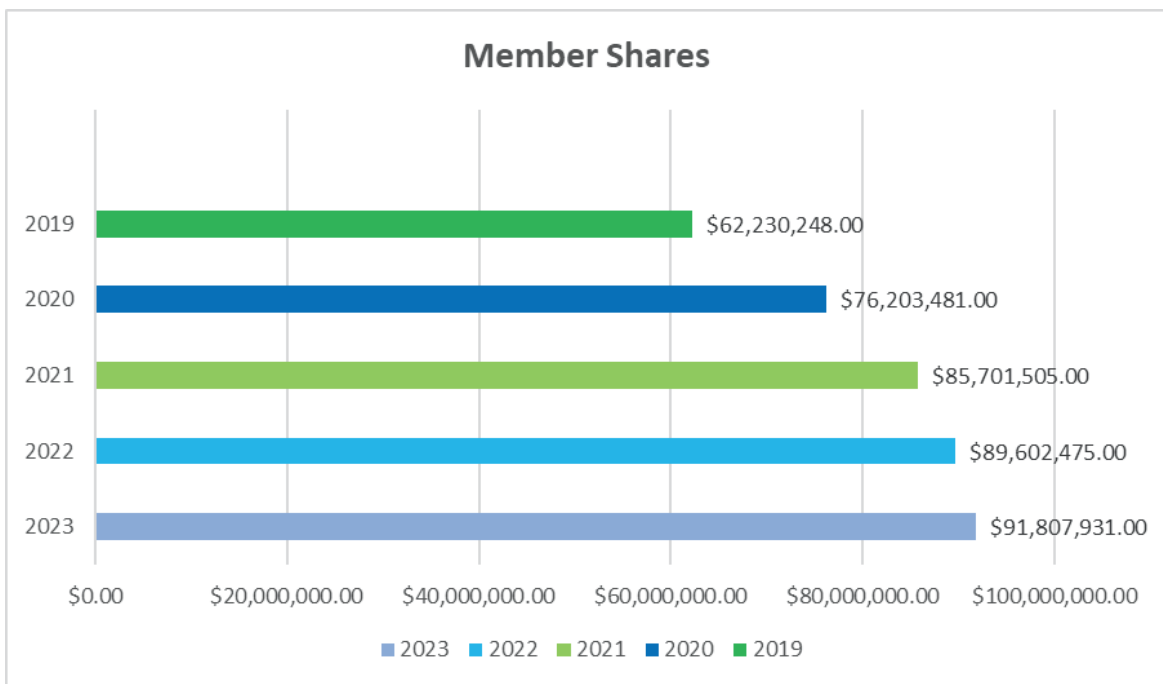
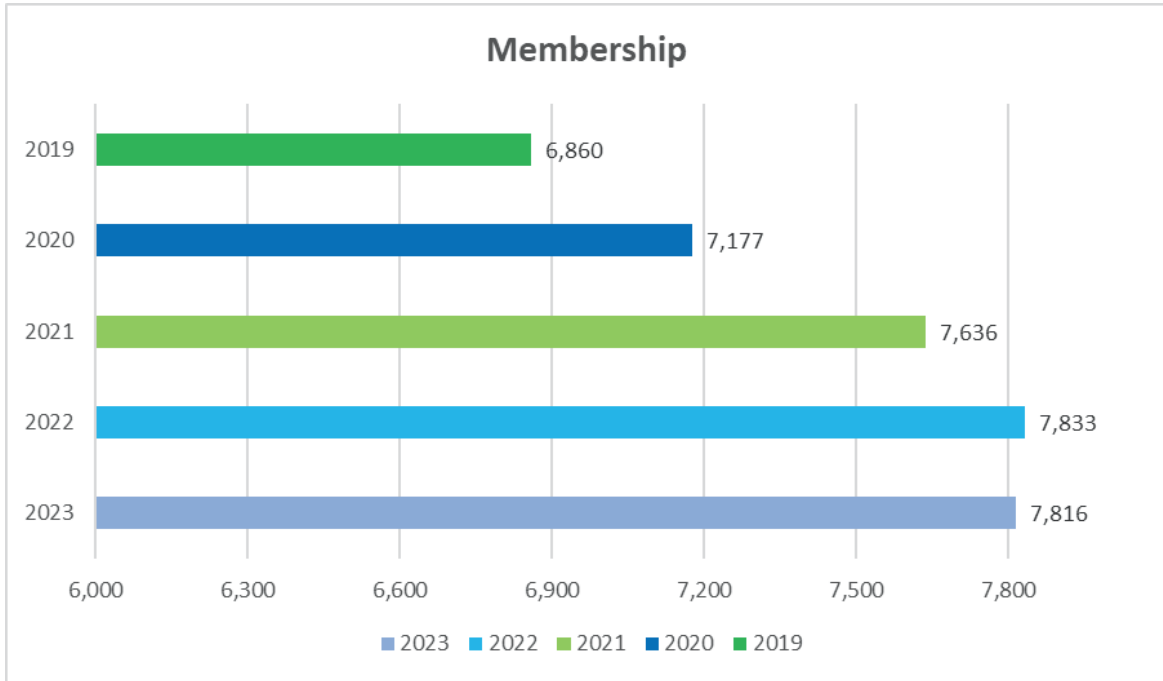
*As of December 31, 2023 (Condensed)*

<b>Income</b>	<b>2022</b>	<b>2023</b>
Interest on Loans	\$3,070,013	\$3,981,092
Interest on Investments	\$103,085	\$153,971
Other Income	\$1,381,341	\$939,153
<b>Total Income</b>	<b>\$4,554,439</b>	<b>\$5,074,217</b>
<b>Expenses</b>	<b>2022</b>	<b>2023</b>
Operating Expenses	\$3,317,688	\$3,617,246
Non-Operating Expenses	\$0	\$0
Net Income Before Dividends	\$1,236,751	\$1,456,971
Dividends	\$145,634	\$571,296
<b>Total Income</b>	<b>\$1,091,117</b>	<b>\$885,675</b>

# Financial Charts



# Financial Charts *Continued*





# Supervisory Committee Report

The Supervisory Committee of Hershey Federal Credit Union complies with the guidelines set forth by the National Credit Union Administration and the bylaws of Hershey Federal Credit Union.

Commitment to safety and soundness is our foremost concern. In 2023, the committee engaged Feather CU Services, LLC to conduct the Supervisory Committee Annual Review of the financial statements. The review included tests of accounting records and auditing procedures. No material weaknesses were identified as a result of the review.

To conform with HFCU's commitment to the highest levels of safety and soundness, throughout 2023, the committee expanded the engagement with Chris Feather, CU Services, LLC to perform quarterly audits across various areas of the credit union to assess the adequacy of, and effectiveness of the internal controls.

The committee would like to thank the Board of Directors, Chief Executive Officer Joseph Marchese, and the dedicated staff for their continued support and commitment to the safety and soundness of Hershey Federal Credit Union.

*Daniel Davis, Director/Chairperson*

## Board of Directors

Franklin D. Wagner	Chairperson
Rita F. Ramacciotti	Vice Chairperson
Amy Hahn	Treasurer
Paul R. Wagner	Assistant Treasurer
Dan Davis	Secretary
Colleen Gallo	Director
B. Dianne Bechtel	Director
Sarah Karpel	Associate Director
William Sprandel	Director Emeritus
Ercoli DiVittore	Director Emeritus
Barbara McLaughlin	Director Emeritus

## Supervisory Committee

Dan Davis	Chairperson
Diane Carroll	Committee Member
Elaine Royer	Committee Member

## Hershey FCU Management Team

Joseph Marchese	Chief Executive Officer
Jill Sottile	Chief Financial Officer
Michael Stern	Vice President of Lending
Irene Malena	Assistant Vice President of Lending
Miranda Ikeda	Vice President of Member Experience
Laura Waller	Marketing Manager
Madison Brandt	Human Resources Manager
Stephanie Kish	Accounting Manager



**Hershey**  
FEDERAL CREDIT UNION

# Hershey FCU in the Community



