



ANNUAL REPORT 2023

**HF
CU** Hancock Federal
Credit Union

LOCAL. TRUSTED. SERVING YOU.

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MISSION


We serve our community by providing trusted member solutions.

GUIDING PRINCIPLES

People Focused. Community Minded.
Integrity Driven.

VISION

Committed to exceed expectations
one relationship at a time.



OUR HISTORY

Hancock Federal Credit Union was first chartered on May 16, 1938 by 13 original members, all of whom were local school-teachers. At this time in history banks were not consumer loan oriented and the organization was founded to provide people with an opportunity to not only save but borrow money as well.

Originally Hancock Federal Credit Union exclusively served employees, families and affiliated organizations of the Findlay City and Hancock County School systems. In 1980, the National Credit Union Association changed its interpretation of the federal credit union act's "common bond provision," which allowed for expansion of our customer base. As a result of that landmark decision, we began to offer share certificates and a wider choice in consumer loan products. Consequently, our assets grew to \$990,000.

Hancock Federal Credit Union initially operated out of their treasurer's home until growth required the rental of an office location in 1978. Our first company-owned location was built and opened on Trenton Avenue in 1990 and we continue in business at that location today. Further growth in our business allowed us to provide a second location and we opened an office on Croy Drive in 1996 until our Melrose Avenue office opened in 2003.

Hancock Federal Credit Union has grown from our original thirteen members in 1938, to 300 members in 1965, to nearly 10,000 members today. Our Board of Directors is made up of unpaid members and volunteers, all of whom are elected by our membership.

2022 MEETING MINUTES

Hancock Federal Credit Union
Annual Meeting Minutes
April 26, 2022

At 5:30 PM Chairperson Mike Knoll called the meeting to order. There were 40 members in attendance. Mike welcomed everyone and expressed his gratitude for the opportunity to hold this year's annual meeting in-person.

The minutes of the April 27, 2021 Annual Meeting were approved. A motion was made by Penny Sokol, seconded by Suzzette Boyd, motion passed.

Cathi Kisseberth opened the meeting expressing 2021 was another very successful year for Hancock Federal Credit Union (HFCU). In the fall, the board of directors and leadership team met and adopted a new strategic plan. Along with refining the mission statement, vision statement and guiding principles, four strategic priorities were identified: enhance member relationships; be a great place to work; achieve financial sustainability; and create a mindset of innovation.

Renovations were completed at the Melrose Avenue office. The building was built in 2003 and at that time HFCU had \$42 million in assets and 26 employees. In the last 19 years, we have grown to almost \$100 million in assets and 35 employees. She expressed her appreciation to the members and employees for their flexibility and patience during the construction.

The pandemic resulted in very low interest rates. In turn this helped members refinance over \$1,100,000 of consumer loans in 2021. This refinance activity resulted in interest's savings of almost \$190,000 to our members. HFCU also continues to support the community including major sponsorships.

Going forward in 2022, Cathi reported we just implemented enhanced online banking software, mobile app, bill pay software and Zelle. We want to provide convenient banking options using safe and easy to use technology, complementing the strong service that members have come to expect from HFCU. Cathi concluded her comments by thanking the members who continue to use HFCU as their primary financial institution. Our members are the reason the credit union has experienced growth and success over our 80+ years.

Cathi turned it over to Chairman Mike. Mike commented on how we are starting to observe signs that things are returning to some level of normalcy, including having this meeting in person. He echoed the comments Cathi made regarding the improvements and enhancements made in 2021. He mentioned our financial position is strong as shown in the 2021 financial statements, In Cathi's first year as CEO, she has laid a foundation on which to build her vision for the credit union, which has already resulted in many financial successes. Under her leadership, the credit union has executed several initiatives that have enhanced employee benefits,

grew our lending profile, and also returned \$54,000 to the community through various community organizations that impact our daily lives.

Mike was very encouraged by the high level of interest received to our request for applicants to serve on the HFCU 's board of directors. Volunteerism is key to our community's success, and he wanted to thank all those that felt driven by this passion to run on the ballot. Mike commented on behalf of the board he wanted to say "thank you to the members for whom HFCU is committed to exceeding your expectations one relationship at a time". In addition, Mike expressed his appreciation to the staff for all they do. Mike introduced Board Member and Chair of the Supervisory Committee, Dee Dee Spraw.

Dee Dee reported all audits were in good order for 2021. She credits this to the good work of the employees of HFCU as they continue to represent the credit union in a positive and cheerful manner always ready to go the extra mile for our members. Thank you all for a job well done! Dee Dee turned it over to Ryan Miller, HFCU's Controller.

Ryan reviewed the financial reports. Assets finished the year at \$99 million, deposit growth was 10% (\$8,000,000) and loan growth 2.5% (\$1,850,000). HFCU managed to have a positive loan growth despite the car market being heavily hit with supply issues. The mortgage department saw tremendous growth during a time with extremely low interest rates.

In 2021, we continued to offer some of the best deposit and loan rates in the area. HJFCU ended the year with a capital ratio of 9.11 which exceeds the standard for well capitalized credit unions. Ryan turned it over to AVP of Human Resources and Administration, Johnny Dee.

Johnny recognized the following staff for milestone anniversaries: Tyler Stephenson – 5 years; Suzzette Boyd, Tom Alborn – 10 years; Jessie Smith – 15 years; and Linda Wilkinson – 20 years. Congrats to all. Also, we would like to welcome the following to the Board of Directors, re-elected Tim Chruski and Heidi Rupp and new board member Benjamin Sapp.

There was no New or Old Business.

Tim moved for adjournment. Meeting adjourned at 5:46 PM.

CEO & CHAIRPERSON REPORTS

A new year is upon us, and at Hancock Federal Credit Union, we are looking forward to opportunities to innovate and release new solutions for our members. In recent years we have made investments in our products and people that are crucial to HFCU's success and most importantly the success of our members. New online banking, mobile app, bill pay and Zelle were all launched in 2022 and are examples of the enhancements that we are making. Several staff members had the opportunity to attend conferences and industry events to stay in tune with recent trends. In 2023 I am excited to maintain our momentum as we work diligently to bring new technologies to our members. Mobile wallets, streamlined fraud prevention solutions and electronic documents at auto dealerships are a few of the projects the team is working on. These new products complement the personal service that you have come to expect from HFCU.

Financially speaking, we paid over \$370,000 in dividends back to our membership. We know a significant amount of these funds are spent locally and keep our economy thriving. Our team was kept busy with over 950 new members and over 1,200 new loans in 2022. I thank our loyal members who continue to use HFCU as their financial institution of choice. We know you have lots of options and we value the trust you place in us for your loan and deposit needs. You are the reason the credit union has experienced growth and success over our

85 years. Our community is an amazing place, and we are proud to be a part of it alongside you.

Cathi Kisseberth, CEO



2022 was another strong year for the Hancock Federal Credit Union. We continue to measure up well against our new peer groups in all key metrics as we transition to an asset group of over \$100MM. Our financial position remains strong as shown in the 2022 financial statements and into 2023. Cathi and her leadership team continue to deliver exemplary results as they work through key strategic goals and initiatives identified by Credit Union staff and management team.

I wanted to also share that the leadership team is actively monitoring and adjusting to the challenges of adjusting inflation and raising interest rates. The Board and Leadership team continues to assess these pressures from the market and the Board has the upmost confidence in HFCU's strategy. Our credit union has been able to offer enticing CD specials that are some of the most competitive in the community. We also continue to see growth in our consumer, real

estate and commercial lending segments. The focus of all of these efforts is to ensure members come first.

With a strong asset base and net worth to support us, Hancock Federal Credit union will remain measured and methodical in our approach to any upcoming economic turbulence just like we did in the great recession of 2008 and the 2020 COVID-19 pandemic. The executive leadership team and Board will continue to keep members needs at the forefront of daily decision making. As we reflect on the past and look to the future, we are excited to continue assisting our community and membership reach their financial goals.

Lastly as I transition off the board this year, I personally would like to thank members of the Board, Executive Leadership team, team members, and membership for the profound opportunity to serve the past seven years with the last three as chairman. It has truly been an honor working alongside each and every one of you in Hancock Federal Credit Union's commitment to exceed expectations one relationship at a time. On behalf of the Board, we thank you for trusting us as your local financial institution.

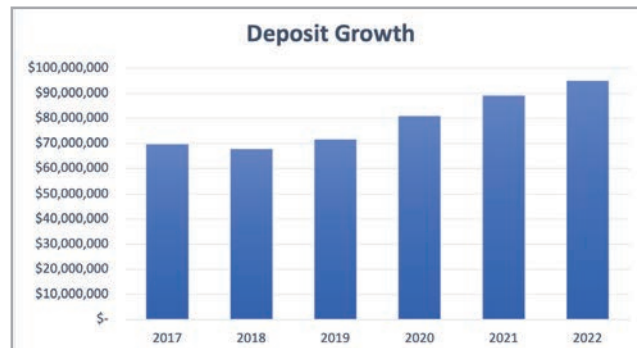
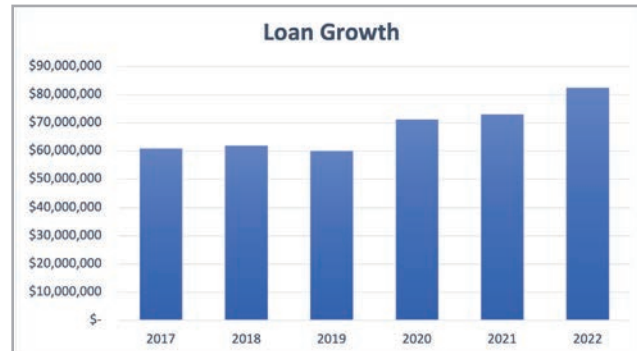
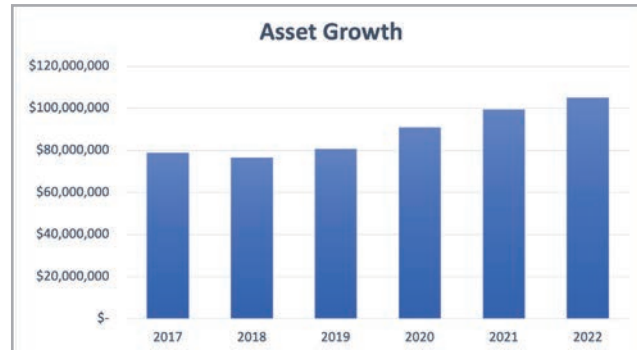
*Michael Knoll,
Chairman of the Board*



FINANCIAL REPORT

2022 was a very strong year! Assets grew 6% (\$5,700,000) during the year. A small credit union is defined as one under \$100 million in assets, we have officially surpassed that milestone. There are 5,048 credit unions in the US and 64% are under \$100M. HFCU is very proud of this accomplishment, as a healthy credit union is a growing credit union.

Deposit growth was 6% (\$6,000,000) and loan growth was 13% (\$9,400,000). HFCU ended the year with a capital ratio of 9.08% which exceeds the regulatory standard of 7.0% for “well capitalized” credit unions. HFCU’s stable growth and consistent profitability allow us to serve the financial needs of our members.



Statement of Financial Condition

As of December 31, 2022 and 2021

Assets	2022	2021
Gross Loans	82,454,211	73,013,245
Less Allowance for Loan Loss	(425,078)	(361,252)
Cash	5,495,215	6,241,547
Investments	14,105,629	16,942,340
Prepaid & Deferred Expenses	175,659	145,323
Property & Equipment	1,769,299	1,914,217
Accrued Income	255,270	193,940
Other Assets	1,345,123	1,303,544
Total Assets	105,175,328	99,392,904

Liabilities & Equity

Accrued Expenses & Other Liabilities	1,407,348	1,310,630
Member Share Accounts	94,997,359	89,060,871
Membership Equity	8,770,621	9,021,403
Total Liabilities & Equity	105,175,328	99,392,904

Statement of Income

As of December 31, 2022 and 2021

	2022	2021
Interest Income		
Interest on Loans	3,527,364	2,908,719
Interest on Investments	228,043	241,646
Total Interest Income	3,755,407	3,150,365
Interest Expense		
Dividends Paid	372,639	262,068
Interest on Borrowed Funds	14,799	-
Total Interest Expense	387,438	262,068
Net Interest Income	3,367,969	2,888,297
Provision for Loan Losses	100,000	155,000
Net Interest Income after Provision for Loan Loss	3,267,969	2,733,297
Non-Interest Income		
Fees & Service Charges	284,810	250,937
Other Income	754,015	849,505
Total Non-Interest Income	1,038,825	1,100,442
Non-Interest Expense		
Compensation & Benefits	1,969,797	1,750,016
Office Building	191,622	161,372
Office Operations	621,518	551,081
Educational & Promotion	153,161	150,354
Loan Servicing	306,661	284,886
Professional & Outside	472,473	512,246
Other Operating Expenses	96,232	83,738
Total Non-Interest Expense	3,811,464	3,493,693
Non-Operating Loss		
Loss on Disposal of Assets	-	(21,947)
Net Income	495,330	318,099

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is appointed by the Board Chair for the primary purpose of assuring HFCU is operating in a safe and sound manner. The committee sees that an annual audit of HFCU's records by an outside CPA firm is performed in accordance with GAAP and ensure that a verification of member records is performed. Throughout the year several reports are reviewed by the committee. These include audit reports, file maintenance records, supervisory override reports, investment purchases, bank reconciliations, member complaints and surprise cash counts. New and closed account records are also reviewed. The board reviews its policies regularly and makes changes as warranted. HFCU continues to operate in a safe and sound manner.

*Dee Dee Spraw,
Supervisory Committee Chairperson*



STAFF MILESTONE ANNIVERSARIES



ASHLEY KUMMERER - 20 YEARS



KAREN TASCHLER - 25 YEARS



BARB SIDAWAY - 25 YEARS

BOARD OF DIRECTORS

2023-2024

CHAIRPERSON..... BEN SAPP
VICE CHAIRPERSON..... JACK VOLKMER
SECRETARY..... DEE DEE SPRAW
DIRECTORS..... ROBERT ASEL
HEIDI RUPP
TIM CHRULSKI
RICH STEINER
MIKE SCOLES
CATHI KISSEBERTH

HFCU STAFF

CATHI KISSEBERTH, PRESIDENT/CEO
SUZZETTE BOYD, Senior VP Operations
KAREN TASCHLER, Director of Marketing
JOHNNY DEE, AVP Human Resources & Administration
DARRELL BAIRD, Senior VP Lending
JENNIFER CARPENTER, Senior VP Consumer Lending
BONNIE BURKETT, Accounting Specialist
ALICE VAUGHN, Real Estate Closer/Financial Analyst
TYLER STEPHENSON, Mortgage Loan Processor/Financial Analyst
TODD SNYDER, Consumer Credit Analyst
TIFFANY GATCHELL - Controller
JENNIFER STUMPP, Mortgage Originator
NICOLE MORRIS, Mortgage Originator
ALYSSA JOHNSON, Consumer Loan Specialist
JORDYN MONTGOMERY, Loan Specialist
TANYA THOMAS, Consumer Lender
JOHN HOLZWART, Lending Resource Specialist
PENNY SOKOL, General Office Specialist
TOM ALBORN, Payment Solutions Specialist
JESSIE SMITH, Member Service Representative
BARBARA SIDAWAY, Member Service Representative
JILL MASON, Operations Manager
EMILY HARRIS, Operations Specialist/Member Payroll
ASHLEY KUMMERER, Operations Specialist/Card Services
LINDA WILKINSON, Operations Specialist/Electronic Payments
NICOLE KOEHLER, Teller
STEPHANIE THOMAN, Teller
KRISTIN SHEEKS, Teller
KATIE ANDERSON, Teller
MORGAN BERNAL, Teller
JODI RICHARDS, Teller
TAMMY BURGER, Teller
GRACE SCHLUMBOHM, Teller

THE UNIVERSAL COOPERATIVE PRINCIPLES



Voluntary and
Open Membership

1



Democratic
Member Control

2



Member Economic
Participation

3



Autonomy and
Independence

4



Education, Training
and Information

5



Cooperation Among
Cooperatives

6



Concern for
Community

7



Diversity, Equity
& Inclusion

8

COMMUNITY INVOLVEMENT

Hancock County Fair

- Jr. Livestock Sale
- Donkey Race – Benefits Honor Flight

Cancer Patient Services – Flock Walk

Hope House Benefit Auction

Findlay Hancock County Chamber

- Rally in the Alley
- Women’s Leadership
- Golf Outing
- Small Business Awards

Arlington Athletic Booster Golf Outing

Arlington Village Fest

Van Buren Sport Complex

Van Buren Athletic Booster Golf Outing

Children’s Museum

City Mission Gala

Spectrum of Findlay Picnic

Findlay Young Professionals

Cory Rawson Score Board

Young Miss Softball

Liberty Benton

- Score Board
- Athletic Booster Golf Outing

United Way

Children Mentoring - Uncorked. Unplugged.

Kiwanis

- Pancake Day
- Purse Bingo

Findlay City Schools

- Teachers T-Shirts
- Elementary Teacher of the Year

Safe and Healthy Children

UF Business Affiliates Scholarship

