



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.

2023 MEETING MINUTES

Hancock Federal Credit Union
Annual Meeting Minutes
April 25, 2023

Chairperson Mike Knoll called the meeting to order at 5:30 p.m. There were 40 members in attendance. Mike welcomed and expressed his gratitude for the opportunity for everyone to attend this year's meeting.

The minutes of the April 25, 2022 Annual Meeting were approved. A motion was made by Karen Taschler, seconded by Tyler Stevenson, motion passed.

Cathi Kisseberth opened the meeting expressing 2022 was another very successful year for Hancock Federal Credit Union (HFCU). Cathi expressed her gratitude of the staff along with the Board of Governance.

- In 2023 HFCU celebrates 85 years, new artwork in the lobby.
- Completed several goals last year.
- This year excited to move on with the four identified strategies that will involve HFCU's employees and members.
- Placing a new and renewed focus on education to serve our members better.

Cathi turned it over to Chairman Mike. Mike mentioned today he chaired his last board meeting and last annual meeting. He has completed his time on the board. He has really enjoyed and learned a lot from this experience. Mike reflected on what has changed and improved since his tenure on the board, technology, remodeling, equipment, etc. Mike thanks the members, without members we would not exist. To the staff, thank you for being that face to the organization and you all do so well. To the volunteers and your families that come out to volunteer with you. To the board thank you for volunteering your time. Mike thanked Brian Treece for his time served on the board, as he will also be coming off the board.

Mike introduced Board Member and Chair of the Supervisory Committee, Dee Dee Spraw.

Dee Dee reported all audits were in good order for 2022. 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. On behalf of the Supervisory Committee and the Board we thank you all for a job well done!

Dee Dee turned it over to Cathi for Review of the Financials. Net income was \$495,000, highest in at least a decade, maybe ever. Capital Ratio 9.08%, exceeds NCUA threshold of 7% to be well capitalized. We paid over \$370,000 in dividends to members and donated \$57,000+ to local non-profits.

Cathi turned it over to AVP of Human Resources and Administration, Johnny Dee.

Johnny recognized the following staff for milestone anniversaries: Ashley Kummerer – 20 years; Karen Taschler – 25 years; and Barb Sidaway – 25 years. Congrats to these three employees. Also, we would like to welcome the following to the Board of Directors, re-elected Jack Volkmer and new board members Rich Steiner and Mike Scoles. Mike Knoll and Brian Treece have fulfilled their terms on the board and we thank them for their great leadership and years of serving. Ben Sapp will be the Chairperson of the Board with Jack Volkmer serving as Vice Chairperson and Dee Dee Spraw as Secretary.

There was no New or Old Business.

Jack Volkmer moved for adjournment. Meeting adjourned at 5:47 PM.



CEO & CHAIRPERSON REPORTS

We have officially closed out 2023 and have welcomed 2024 with open arms. Annually I take time to reflect on our successes of the year and plan for the coming opportunities and this year is no different. I am proud of the results our team has achieved during the year and excited to see what the future holds.

Two of our strategic priorities include enhance member relationships and create a mindset of innovation. Within the credit union, strategic priorities are meant to be timeless, even as the projects and the world around us continue to evolve. At HFCU we continuously strive to bring the best solutions to our members and cooperative owners. In 2023 this included adding Apple, Google, and Samsung pay availability for mobile wallets. We also introduced Card Hub, which replaced CardValet and made our mobile app a one stop shop for better convenience. Additionally, there were projects going on behind the scenes to help with employee efficiencies. Other completed projects for the year include the ability to e-sign documents at participating auto dealerships and birthday boxes to celebrate our youth members. These investments are vital to HFCU's future success. Technology is important, but we will never stray away from personalized member service that we know is even more vital.

In 2024 we are placing a renewed focus on education. Please be on the lookout for both in person and virtual learning opportunities including information about the homebuying process, financial planning and more. We also have more debit and credit card enhancements in the works. There are a few software conversions in progress behind the scenes. We have a talented staff overseeing this process and we strive to limit the impact

these changes have on our members. Our employees are one of our most important assets, so we will continue to attend educational industry events and to learn and develop best practices.

In 2023 HFCU paid over \$1.3 million in dividends back to our membership. Since a majority of our members reside in Hancock County, we know these funds stay local and support the economy at large. We welcomed 870 new members and granted 1,000 new loans during the year. A healthy credit union is a growing credit union, and we certainly are not letting the grass grow under our feet around here. The greatest compliment you can give us is a referral to a friend or family member and we are forever grateful for the many we receive each year. 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. Hancock County is an wonderful place and we are proud to live out these words each day.

Local – Trusted – Serving You.

Cathi Kisseberth, CEO



Hancock Federal Credit Union has achieved significant milestones over the past year, thanks to the collective efforts of our staff and board members. From expanding our service offerings to implementing innovative technologies, we remain steadfast in our mission to provide you with the best possible banking experience.

Hancock Federal Credit Union has maintained steady earnings throughout the year. Equally important, our credit union has consistently maintained healthy capital levels, providing a solid foundation for future growth and sustainability. Despite the challenges posed by the ever-evolving financial landscape and economy, we have not only weathered the storm but have emerged stronger than ever.

Looking ahead, we have an array of exciting initiatives planned to further enhance your membership experience. Whether it's informative financial literacy workshops, engaging community partnerships, or exclusive member appreciation events, there will be something for everyone to enjoy.

On behalf of the Board, we thank you for trusting us as your local financial institution. As we reflect on the successes of 2023, it is important to recognize that none of this would have been possible without the continued support and loyalty of our valued members. Together, we have achieved great things, and I look forward to celebrating many more successes in the future.

Ben Sapp, Chairman of the Board

FINANCIAL REPORT

Hancock FCU achieved many milestones during 2023 with total assets growing by \$750k. The capital ratio is still very healthy at 9.18%, which exceeds the standard of 7% of a “well capitalized credit union”. HFCU remains fiscally strong despite the challenges faced in the changing economy.

2023 was the year of increased interest rates. In 2023, HFCU paid over \$1 million to our members in dividends. A record dividend payout and an increase of 270% from 2022.

Overall, HFCU is financially sound and is well positioned for another successful year!

Tiffany Gatchell,
Controller



Statement of Financial Condition

As of December 31, 2023 and 2022

Assets	2023	2022
Gross Loans	83,072,344	82,454,211
Less Allowance for Loan Loss	(598,549)	(425,078)
Cash	4,605,417	5,495,215
Investments	14,931,355	14,105,629
Prepaid & Deferred Expenses	234,560	175,659
Property & Equipment	1,649,204	1,769,299
Accrued Income	318,373	255,270
Other Assets	1,712,254	1,345,123
Total Assets	105,924,958	105,175,328

Liabilities & Equity	2023	2022
Accrued Expenses & Other Liabilities	1,648,586	1,407,348
Member Share Accounts	95,088,843	94,997,359
Membership Equity	9,187,529	8,770,621
Total Liabilities & Equity	105,924,958	105,175,328

Statement of Income

As of December 31, 2023 and 2022

Interest Income	2023	2022
Interest on Loans	4,417,104	3,527,364
Interest on Investments	428,539	228,043
Total Interest Income	4,845,643	3,755,407

Interest Expense	2023	2022
Dividends Paid	1,376,932	372,639
Interest on Borrowed Funds	9,577	14,799
Total Interest Expense	1,386,509	387,438

Net Interest Income	3,459,134	3,367,969
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Provision for Loan Losses	151,000	100,000
Net Interest Income after Provision for Loan Loss	3,308,134	3,267,969

Non-Interest Income	2023	2022
Fees & Service Charges	284,614	284,810
Other Income	666,443	754,015
Total Non-Interest Income	951,057	1,038,825

Non-Interest Expense	2023	2022
Compensation & Benefits	2,076,905	1,969,797
Office Building	192,219	191,622
Office Operations	685,971	621,518
Educational & Promotion	158,531	153,161
Loan Servicing	346,183	306,661
Professional & Outside	435,138	472,473
Other Operating Expenses	109,324	96,232
Total Non-Interest Expense	4,004,271	3,811,464

Non-Operating Loss	2023	2022
Loss on Disposal of Assets	-	-

Net Income	254,920	495,330
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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.

Rich Steiner, Supervisory Committee Chairperson



STAFF MILESTONE ANNIVERSARIES



PENNY SOKOL - 20 YEARS



CATHI KISSEBERTH - 15 YEARS



ALICE VAUGHN - 10 YEARS



KRISTIN SHEEKS - 5 YEARS



TANYA THOMAS - 5 YEARS



NICOLE KOEHLER - 5 YEARS

BOARD OF DIRECTORS

2023-2024

CHAIRPERSON..... BEN SAPP
VICE CHAIRPERSON..... JACK VOLKMER
SECRETARY..... DEE DEE SPRAW
DIRECTORS..... ROBERT ASEL
HEIDI RUPP
RICH STEINER
MIKE SCOLES
TIM CHRULSKI
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
TIFFANY GATCHELL - Controller
BONNIE BURKETT, Accounting Specialist
ALICE VAUGHN, Real Estate Closer/Financial Analyst
TYLER STEPHENSON, Mortgage Loan Processor/Financial Analyst
TODD SNYDER, Consumer Credit Analyst
JENNIFER STUMPP, Mortgage Originator
NICOLE MORRIS, Mortgage Originator
ALYSSA JOHNSON, Consumer Loan Specialist
JORDYN MONTGOMERY, Loan Specialist
MIRANDA MAINOR, Consumer 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
TAMMY BURGER, Teller
MORGAN BERNAL, Teller
JODI RICHARDS, Teller
DANIELLE BASH, Teller

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

Boy Scouts

Van Buren Sport Complex

Van Buren Athletic Booster Golf Outing

Children's Museum

City Mission

Spectrum of Findlay Picnic

Findlay Young Professionals

Young Miss Softball

Liberty Benton

- Score Board
- Athletic Booster Golf Outing

Children Mentoring - Uncorked. Unplugged.

Kiwanis

- Pancake Day
- Purse Bingo

MCPA -Boogie on the Block

Findlay City Schools

- Teachers T-Shirts
- Elementary Teacher of the Year

Safe and Healthy Children

UF Business Affiliates Scholarship

