ANNUAL REPORT 2022

Hancock Federal Credit Union

LOCAL. TRUSTED. SERVING YOU.

1701 E Melrose Ave, Findlay • 125 Trenton Ave, Findlay
(419) 424-0163
www.hancockfcu.com

EQUAL HOUSING LENDER
Insured by NCUA

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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.

2021 MEETING MINUTES

Hancock Federal Credit Union
Virtual Annual Meeting Minutes
April 27, 2021

At 5:32 PM Chairperson Michael Knoll called the meeting to order. There were 45 members in attendance. Mike made several complimentary remarks in regards to our members, and staff especially handling the pandemic and offered his appreciation to all for your understanding, as we continually adjusted on offering services. Mike reported the CEO Selection Committee welcomed Cathi Kisseberth as our CEO, and earlier in 2021, we announced the complete renovation of the Melrose branch scheduled for Summer 2021. Mike acknowledged the years of service of Kim Thomas and thanked her for serving on the board and wonderful job chairing the Supervisory Committee.

The minutes of the June 20, 2020, Annual Meeting were approved. A motion was made by Kim Thomas, seconded by Karen Taschler, motion passed.

Mike introduced and welcomed our new CEO, Cathi Kisseberth. Cathi started in her new role as CEO in January. Cathi reported, she is thrilled to build upon the success at HFCU and focus on strategic grown in the years to come. The priorities during the pandemic were to keep staff and members safe along with providing excellent member service. Cathi introduced Board Member and Chair of the Supervisory Committee, Kim Thomas.

Kim reported all audits were in good order for 2020. She credits this to the strong group of employees who continue to represent the credit union in a positive and cheerful manner and always ready to go the extra mile for our members.

Cathi expressed her appreciation to Kim for the report and the years of service she has given to the credit union as a board member.

- Cathi Kisseberth reviewed the financial reports. She mentioned HFCU's "good growth" as assets surpassed $90 for the first time in our 80-year history; deposit growth 12% or $10M; loan growth 18% or $11M, net income $145,000, 23% increase over 2019, we are very proud of these numbers.
- HFCU ended the year with a Capital Ratio of 9.6%
- Here's some fun stats for you: Originated $40M of loans; opened 1033 accounts; paid $468,000 in dividends; and as a credit union we donated $50,000+ to local non-profits and staff gave many service hours to these organizations.

Cathi mentioned moving forward in 2021 we recognize that the economy is still fragile. We will continue to strategically focus on advanced technology that will offer added conveniences. We will continue to grow and change with you to meet your changing financial service needs. She offered her appreciation and thanks for the members understanding and patience over this past year, especially with the pandemic.

Johnny Dee recognized Bonnie Burkett for 25 years of service and Wendy Smith for 20 years of service. Robert Asel and Deanna (Dee Dee) Spraw were re-elected to the BOD.

There was no New or Old Business.
Jill moved for adjournment.
Meeting adjourned at 5:58 PM.

CEO & CHAIRPERSON REPORTS

2021 was another very successful year for Hancock Federal Credit Union. In the fall, the board of directors and the leadership team came together and adopted a new strategic plan. We spent a lot of time refining our mission statement, vision statement and guiding principles. Four strategic priorities were identified which include: enhance member relationships, be a great place to work, achieve financial sustainability and create a mindset of innovation. This may seem like a very short list, but it is a strong framework that will serve us for many years to come.

This year major renovations were completed at the Melrose Ave. office. The building was built in 2003, back then 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, so we have experienced tremendous growth. Four additional office spaces were built within the building's footprint, along with cosmetic updates throughout. Our new mission statement is "We serve our community by providing trusted member solutions." This remodel provides a beautiful space to do that for many years to come. Thank you to our members and our employees for being so flexible during the construction.

The pandemic resulted in very low interest rates. Because of this we helped members refinance over $1,100,000 of consumer loans in 2021. This refinance activity resulted in interest savings of almost $190,000 to our members. We continue to support the community in many ways including major sponsorships benefiting Cancer Patient Services, Hope House for the Homeless, Children's Mentoring Connection, Findlay City Schools and Flag City Honor Flight just to name a few.

Going forward in 2022, we have just implemented enhanced online banking software, mobile app, bill pay software and Zelle. Our focus here is to provide convenient banking options using safe and easy to use technology. These new products complement the strong service that you have come to expect from HFCU. We strive to create value for our membership by helping you succeed in the financial aspects of life. We thank our members who continue to use HFCU as their primary financial institution, you are the reason the credit union has experienced growth and success over our 80+ years.

Cathi Kisseberth, CEO

As we enter this new year, we are slowly observing signs that things are returning to some level of normalcy, including our annual meeting being observed in person. Over the past two years, we have witnessed time and time again the agility of our credit union to adjust to the various stages of the pandemic, while ensuring safe and trusted member solutions. We have also executed several key initiatives to enhance the membership experience with the complete renovation of our Melrose location and deployment of a new online banking portal. All of these milestones occurred since last year's annual meeting. A lot of time, effort and sacrifice have gone into technological improvements from our dedicated staff. If you haven't already, we invite you to stop into our Melrose location to experience the new layout and member enhancements installed during the remodel.

We continue to celebrate the successes of the credit union and our performance among our peer group of over 700 similarly sized credit unions in all key metrics ($50MM-$100MM). Our financial position is strong as shown in our 2021 financial statements. In her first year, Cathi Kisseberth, CEO 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. Please allow us the opportunity to service your next financial request and share the exciting ways we can help you achieve your financial dreams.

I am encouraged by the high level of interest we received to our request for applicants to serve on the Hancock Federal Credit Union's board of directors. Volunteerism is key to our community's success, and I would like to again thank those that felt driven by this passion to run on the ballot. All of the candidates exemplify the credit union's guiding principles of being People Focused, Community Minded and Integrity Driven. Lastly, The Board and I would like to thank you, our members, for whom Hancock Federal Credit Union is committed to exceed your expectations one relationship at a time.

Michael Knoll,
Chairman of the Board

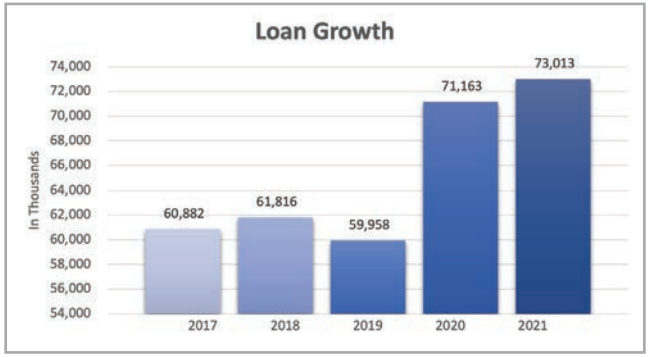
FINANCIAL REPORT

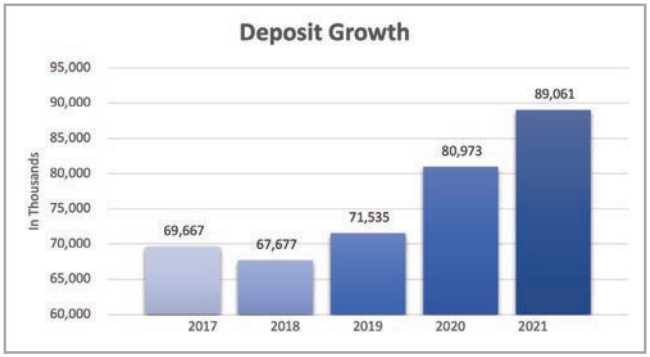
We have continued to build on our record setting 2020 year. Assets finished the year at $99 million, just shy of hitting the $100 million mark. Deposit growth was 10% ($8,000,000) and loan growth 2.5% ($1,850,000). HFCU managed to have a positive loan growth despite the car market being heavily hit with supply issues. The mortgage department saw tremendous growth during a time with extremely low interest rates. HFCU's strong growth and consistent profitability will allow us to better serve our members with great rates and new products.

In 2021 we had continued to offer some of the best deposit and loan rates in the area. HFCU ended the year with a capital ratio of 9.11 which is still far exceeding the regulatory standard for "well capitalized" credit unions.

HFCU remains fiscally sound, we are in excellent financial security for our membership for many years to come.

Ryan Miller, Controller





Statement of Financial Condition

As of December 31, 2021 and 2020

Assets	2021	2020
Gross Loans	73,013,245	71,163,162
Less Allowance for Loan Loss	(361,252)	(335,508)
Cash	6,241,547	2,113,503
Investments	16,942,340	14,885,490
Prepaid & Deferred Expenses	145,323	65,233
Property & Equipment	1,914,217	1,550,935
Accrued Income	193,940	211,151
Other Assets	1,303,544	1,271,685
Total Assets	**99,392,904**	**90,925,651**
Liabilities & Equity		
Accrued Expenses & Other Liabilities	1,310,630	1,093,738
Member Share Accounts	89,060,871	80,973,260
Membership Equity	9,021,403	8,858,653
Total Liabilities & Equity	**99,392,904**	**90,925,651**

Statement of Income

As of December 31, 2021 and 2020

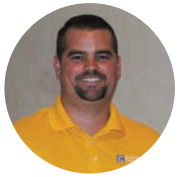
Interest Income	2021	2020
Interest on Loans	2,908,719	2,839,355
Interest on Investments	241,646	280,151
Total Interest Income	**3,150,365**	**3,119,506**
Interest Expense		
Dividends Paid	262,068	469,048
Interest on Borrowed Funds	-	96
Total Interest Expense	**262,068**	**469,144**
Net Interest Income	**2,888,297**	**2,650,362**
Provision for Loan Losses	155,000	242,027
Net Interest Income after Provision for Loan Loss	**2,733,297**	**2,408,335**
Non-Interest Income		
Fees & Service Charges	250,937	224,402
Other Income	849,505	730,355
Total Non-Interest Income	**1,100,442**	**954,757**
Non-Interest Expense		
Compensation & Benefits	1,750,016	1,542,378
Office Building	161,372	164,406
Office Operations	551,081	536,053
Educational & Promotion	150,354	140,990
Loan Servicing	284,886	283,091
Professional & Outside	512,246	468,909
Other Operating Expenses	83,738	81,289
Total Non-Interest Expense	**3,493,693**	**3,217,116**
Non-Operating Loss		
Loss on Disposal of Assets	**(21,947)**	
Net Income	**318,099**	**145,976**

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is responsible for the review of credit union activities to maintain the membership's trust and confidence by assuring HFCU's security and strength. Throughout the year file maintenance records, supervisor override reports, wire transfers, investments and bank reconciliations were audited. Account verifications and cash counts were also done. All looked to be in good order. The board reviews its policies regularly and makes changes as warranted. The annual audit of HFCU was completed by Doeren Mayhew and it was reported that the financial statements present fairly, in all material respects, the financial position of HFCU. The employees of HFCU continue to represent the credit union in a positive and cheerful manner always ready to go the extra mile for our members.

Dee Dee Spraw,
Supervisory Committee Chairperson

STAFF MILESTONE ANNIVERSARIES



TYLER STEPHENSON - 5 YEARS

SUZZETTE BOYD - 10 YEARS

TOM ALBORN - 10 YEARS

JESSIE SMITH - 15 YEARS

LINDA WILKINSON - 20 YEARS

BOARD OF DIRECTORS

2022-2023

CHAIRPERSON.....	MICHAEL KNOLL
VICE CHAIRPERSON.....	JACK VOLKMER
SECRETARY.....	DEE DEE SPRAW
DIRECTORS.....	ROBERT ASEL
	BRIAN TREECE
	HEIDI RUPP
	TIM CHRULSKI
	BENJAMIN SAPP
	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 of Lending
JENNIFER CARPENTER, Consumer Lending Manager
RYAN MILLER, Controller
ALICE VAUGHN, Mortgage Loan Processor/Financial Analyst
TYLER STEPHENSON, Mortgage Loan Processor/Financial Analyst
JENNIFER STUMPP, Mortgage Originator
NICOLE MORRIS, Mortgage Originator
MONICA BIHN, Loan Specialist
JESSIE SMITH, Accounting Specialist
PENNY SOKOL, General Office Specialist
JOHN HOLZWART, Lending Resource Specialist
TOM ALBORN, Collections Specialist
BONNIE BURKETT, Consumer Loan Specialist
TANYA THOMAS, Consumer Lender
ALYSSA FRALEY, Consumer Loan Specialist
JILL MASON, Operations Manager
EMILY HARRIS, Operations Specialist/Member Payroll
ASHLEY KUMMERER, Operations Specialist/Card Services
LINDA WILKINSON, Operations Specialist/Electronic Payments
BARBARA SIDAWAY, Member Service Representative
NICOLE SPURLIN, Teller
STEPHANIE THOMAN, Teller
KRISTIN SHEEKS, Teller
MORGAN BERNAL, Teller
MEGAN MITCHELL, Teller
KATIE ANDERSON, Teller

COMMUNITY INVOLVEMENT

7th Grade Teaching Series – Findlay City and Hancock County Schools
Arlington Athletic Boosters
Arlington Homecoming
Balloon Fest
Cancer Patient Services
Children's Museum of Findlay
City Mission
Cory Rawson Athletic Boosters
Findlay City Schools Elementary Teacher of the Year
Findlay Fraternal Order of Police
Findlay Hancock County Chamber of Commerce Golf Outing
Findlay High School Taste of Reality
Findlay High School – We the People
Findlay Young Professionals – Sponsor
Habitat for Humanity
Hancock County Chamber
- Rally in the Alley
- Women's Leadership Luncheon

Hancock County Fair
- Jr. Livestock Auction
- Donkey Races – Flag City Honor Flight

Hancock Federal Credit Union Scholarship – Community Foundation
Hancock Leadership
Hope House
Kiwanis
Liberty Benton Athletic Boosters
Marathon Center for the Performing Arts
Rotary
University of Findlay – Business Affiliate Scholarship
Van Buren Athletic Boosters

UNCORKED
UNPLUGGED

Financial Advice

UNCORKED
UNPLUGGED

UNCORKED
UNPLUGGED

SALE
of Champions
DAIRY GOAT
HANCOCK COUNTY FAIR
2021