ANNUAL REPORT 2021

Hancock Federal Credit Union

LOCAL. TRUSTED. SERVING YOU.

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www.hancockfcu.com

EQUAL HOUSING LENDER
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TABLE OF CONTENTS

Page 1	Mission/Vision/Core Values
Page 1	Our History
Page 2	2020 Annual Meeting Minutes
Page 3	CEO & Chairperson Reports
Page 4	Financial Report
Page 5	Supervisory Committee Report
Page 5	Member Survey
Page 6	Staff & Milestone Anniversaries
Page 6	Board of Directors
Page 7-8	Community Involvement

MISSION

Awesome Products, Amazing Service.

VISION

Achieve Excellence .

CORE VALUES

Unity, Integrity, Dedicated, Proud, Empowerment, Fun

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.

2020 MEETING MINUTES

Hancock Federal Credit Union
Virtual Annual Meeting Minutes
June 23, 2020

At 5:30 PM Chairperson Brian Treece called the meeting to order. There were 36 members in attendance. Brian made several complimentary remarks about staff and the Credit Union as a whole. He particularly praised CEO Dan Kennard for his leadership in growing HFCU to over $90,000,000 in assets. (As of May 2020)

The minutes of the April 23, 2019 Annual Meeting were approved.

CEO Dan Kennard complimented staff and Board Members on their good work. He also spoke about HFCU's community involvement and very positive audits. He presented the following statistics: $580,000 dividends paid to members; 800 new members and 1,100 new loans.

Cathi Kisseberth reviewed the financial reports. She mentioned HFCU's "good growth" as we reach for the $100,000,000 asset mark.

Kim Thomas reviewed the Supervisory Committee Report and specifically mentioned the "good audits" in 2020.

Brian Treece, Jack Volkmer, Meg Simon, and Michael Knoll were re-elected to the BOD

There was no New or Old Business.

Jessie moved for adjournment.

Meeting adjourned at 5:48 PM.

CEO & CHAIRPERSON REPORTS

In January I was honored to step into my new role as President and CEO of Hancock Federal Credit Union after serving as CFO for the past five years. Dan Kennard led the success of HFCU over the last ten years and I am thrilled to build upon that as we focus on strategic growth in the years to come.

In 1938 a small group of teachers came together and joined the credit union movement by recognizing the philosophy of people helping people. Back then the cost of a new home was $3,900 and minimum wage was $0.25. Our founders could not have possibly imagined the world we live in today, but they had the foresight to build an institution that would survive and thrive well into the future. We stand ready to support and serve our members through both good and difficult times.

Our priorities during this pandemic have been keeping staff and members safe along with providing excellent member service. During 2020 we looked for ways to help the people who were experiencing financial difficulty. Many were impacted by job layoffs or reduced hours due to COVID-19 and we were able to offer payment modifications to help those in need during a truly difficult time. We look forward to a time when life feels normal again.

At HFCU we value putting the member first and taking the time to get to know your personal financial goals. We are **Local, Trusted, and here to Serve You.** We are grateful for your loyalty in a digital age where consumers have many choices. We are proud to walk with you on your financial journey and be a part of the communities that you live and work in. We know that healthy communities are just as vital to our success as loans and deposits. I am grateful to work with such a dedicated, passionate group of team members and volunteer directors that are committed to improving the lives of our membership.

Going forward in 2021 we recognize that the economy is still fragile. We continue to place strategic focus on advanced technology that will offer added conveniences. We continue to grow and change with you so that we may meet your changing financial service needs.

Cathi Kisseberth, CEO

The events of the past year will remain historically memorable for generations to come. Like many businesses and corporations that make up this great community, Hancock Federal Credit Union was fortunate to adapt business operations to continue to provide our members with awesome products and amazing service. While we understand some of the changes may have limited our face to face interactions, know that it was in the best interest of protecting our fabulous staff and member health. As vaccinations continue to roll out in the community, we are optimistic that normal pre-pandemic operations will return in the near future and we can engage in face to face interactions once again.

Our credit union had another strong performance in 2020. We continue to measure well against our peer group of over 700 similarly sized credit unions ($50MM-$100MM) in all key metrics. The Board would be remissive not to thank Dan Kennard for his leadership as CEO of Hancock Federal Credit Union for the past 10 years knowing his contribution and leadership contributed to 2020's successful year. We wish him the best in retirement!

The Board and CEO Selection Committee were also excited to welcome Cathi Kisseberth as our new CEO starting in late 2020. Her vision for the credit union pillars on membership satisfaction and we look forward to her direction as CEO. We also announced earlier this year the complete renovation of the Melrose branch scheduled for Summer 2021. This renovation will install much needed employee and membership amenities including increased office space, a renovated lobby and cosmetic updates throughout the building. While we expect some limited access to the lobby during the renovations, our staff continues to evaluate creative ways to meet all of your financial needs.

We continue to remain optimistic in our outlook for 2021 as we emerge from this pandemic. Lending continues to be strong due to historically low interest rates and increased consumer spending. Please continue to be vigilant in protecting you and your family's health by following the recommended CDC guidelines.

The Board would like to thank you for being an active member with Hancock Federal Credit Union and look forward to continuing to offer awesome products and amazing service to our membership.

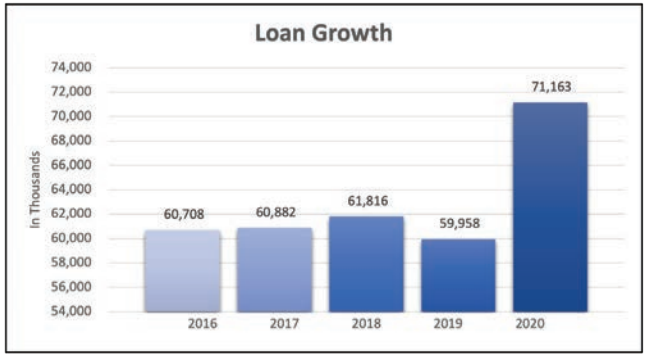
Michael Knoll, Board Chairman

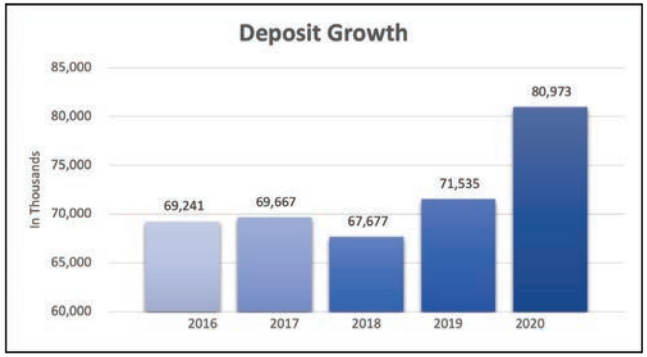
FINANCIAL REPORT

2020 was a record setting year, in spite of the many challenges that COVID-19 brought. Assets surpassed $90 million for the first time in our 83-year history. Deposit growth was 12% ($10,000,000) and loan growth was 18% ($11,000,000). HFCU's strong growth and consistent profitability allow for future ongoing investments to better serve our members.

In 2020 we continued to offer some of the best deposit and loan rates in the area. As a not-for-profit financial cooperative, we know it is important to help our members save and earn money. HFCU ended the year with a capital ratio of 9.6%, far exceeding the regulatory standard for "well capitalized" credit unions.

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





Statement of Financial Condition

As of December 31, 2020 and 2019

Assets	2020	2019
Gross Loans	71,163,162	59,958,449
Less Allowance for Loan Loss	(335,508)	(248,544)
Cash	2,113,503	6,120,014
Investments	14,885,490	11,835,937
Prepaid & Deferred Expenses	65,233	85,654
Property & Equipment	1,550,935	1,593,309
Accrued Income	211,151	184,328
Other Assets	1,271,685	1,164,252
Total Assets	**90,925,651**	**80,693,399**
Liabilities & Equity		
Accrued Expenses & Other Liabilities	1,093,738	566,629
Member Share Accounts	80,973,260	71,534,822
Membership Equity	8,858,653	8,591,948
Total Liabilities & Equity	**90,925,651**	**80,693,399**

Statement of Income

As of December 31, 2020 and 2019

Interest Income	2020	2019
Interest on Loans	2,839,355	2,810,728
Interest on Investments	280,151	286,468
Total Interest Income	**3,119,506**	**3,097,196**
Interest Expense		
Dividends Paid	469,048	575,681
Interest on Borrowed Funds	96	7
Total Interest Expense	**469,144**	**575,688**
Net Interest Income	**2,650,362**	**2,521,508**
Provision for Loan Losses	242,027	205,100
Net Interest Income after Provision for Loan Loss	**2,408,335**	**2,316,408**
Non-Interest Income		
Fees & Service Charges	224,402	280,361
Other Income	730,355	616,245
Total Non-Interest Income	**954,757**	**896,606**
Non-Interest Expense		
Compensation & Benefits	1,542,378	1,455,127
Office Building	164,406	168,864
Office Operations	536,053	516,057
Educational & Promotion	140,990	142,315
Loan Servicing	283,091	252,761
Professional & Outside	468,909	433,257
Other Operating Expenses	81,289	126,135
Total Non-Interest Expense	**3,217,116**	**3,094,516**
Net Income	**145,976**	**118,498**

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.

OUR MEMBERS HAVE SPOKEN!

I have been a member since 1992 and I am entirely pleased with HFCU. You provide consistently excellent service.

Been with you for a lot of years and never had a bad experience. We love the small banking feel!

Good customer service and good communication. Highly recommend.

We have banked at several institute's our 49 years of marriage and HFCU is by far the best place we have ever dealt with!

STAFF MILESTONE ANNIVERSARIES

BONNIE BURKETT
25 YEARS

WENDY SMITH
20 YEARS

BOARD OF DIRECTORS

MICHAEL KNOLL – CHAIRPERSON
JACK VOLKMER – VICE CHAIRPERSON
DEE DEE SPRAW – SECRETARY
BRIAN TREECE
BOB ASEL
KIM THOMAS
MEG SIMON

HFCU STAFF

CATHI KISSEBERTH, PRESIDENT/CEO
SUZZETTE BOYD, Senior VP Operations
KAREN TASCHLER, Director of Marketing
BROOKS GRAY, Senior VP of Lending
JOHNNY DEE, AVP Human Resources & Administration
DARRELL BAIRD, VP of Real Estate Lending
JENNIFER CARPENTER, Consumer Lending Manager
ALICE VAUGHN, Mortgage Loan Processor/Financial Analyst
TYLER STEPHENSON, Mortgage Loan Processor/Financial Analyst
JESSIE SMITH, Accounting Specialist
PENNY SOKOL, General Office Specialist
JOHN HOLZWART, Lending Resource Specialist
TOM ALBORN, Collections Specialist
BONNIE BURKETT, Consumer Loan Processor
TANYA THOMAS, Consumer Loan Specialist
MICHELLE YORK, Consumer Loan Specialist
MELISSA CUNNINGHAM, 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
WENDY SMITH, Member Service Representative
NICOLE SPURLIN, Teller
SAMANTHA WARREN, Teller
STEPHANIE THOMAN, Teller
KRISTIN SHEEKS, Teller
ALEXIS LANDON, Teller
ALYSSA FRALEY, Teller
MORGAN BERNAL, Teller
MEGAN McDANIEL, Teller
SHERI LATIMER, Preferred Planning Associates of Dayton

COMMUNITY INVOLVEMENT

7th Grade Teaching Series – Findlay City and Hancock County Schools
Arlington Athletic Boosters
Arlington Homecoming
Balloon Fest
Cancer Patient Service
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 High School Taste of Reality
Findlay Young Professionals – Sponsor
Flag City Honor Flight – Facebook Promo
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
Hope House
Kiwanis
Liberty Benton Athletic Boosters
Literacy Coalition - Tell A Tale Sponsor
Marathon Center for the Performing Arts
Rotary
University of Findlay – Business Affiliate Scholarship
Van Buren Athletic Boosters

We Support
Cancer
Patient
SERVICE
Rediscovering Joy

Clothing

Leadership

UT

Bless This
Backyard Mission
Trip Project