



2025

Annual Report



CORE
CORE
CORE
CORE
CORE
VALUES
VALUES
VALUES
VALUES
VALUES

SERVICE
SERVICE

Creating value for others.

COMMUNITY
COMMUNITY

Contributing time and energy to a cause.

COMMITMENT
COMMITMENT

Fostering a sense of belonging and offering support to others.

INTEGRITY
INTEGRITY

Upholding honesty, honoring commitments, and treating others with respect.

Leadership

Leadership Report

As we reflect on the past year, 2025 was a year of continued growth, community impact, and forward-looking initiatives for Hershey Federal Credit Union. Our commitment to serving our members remains at the heart of everything we do, and we are proud to build upon the strong foundation that has guided us for more than 77 years. Our commitment to membership continues to inspire us and drives our dedication to exceptional service, financial empowerment, and meaningful community engagement.

Hershey Federal Credit Union remains deeply committed to strengthening the communities we serve. In 2025, we donated over \$26,500 to various non-profits and community organizations, reinforcing our mission to give back. We partnered with organizations such as the Caring Cupboard and the Hershey Food Bank to make a meaningful and lasting impact on local families and individuals in need.

A major highlight of 2025 was the expansion of our team with the addition of a Business Development Officer, allowing us to further enhance our outreach and community engagement efforts. Through this role, we significantly expanded our financial literacy initiatives. In partnership with Keystone Human Services, we launched a series of financial wellness workshops including Credit 101, Budgeting for Real Life, and Homeownership Readiness. These workshops are designed to reduce financial stress, improve decision-making, and empower individuals with practical financial skills.

In addition to these financial workshops, we continue to offer both our members and our local communities' access to the Banzai financial education portal. Banzai provides easy-to-use resources on topics such as budgeting, debt management, home buying, retirement planning, and more! These tools support both youth and adult learners through guided coaching and interactive education. Looking ahead, we are excited to expand these efforts further into local schools, libraries, and community organizations in 2026.

In 2026, we will also be launching our Business Partnership Program, a strategic initiative designed to strengthen relationships with local businesses and nonprofits while growing membership. This program will offer employees exclusive financial benefits, reduced fees, improved rates, and ongoing financial education at no cost to participating organizations. It reflects our continued focus on delivering value while deepening our role as a trusted community partner

Report

Leadership Report *continued*

Giving back to our members remains a top priority. In 2025, Hershey Federal Credit Union returned over \$1.5M in dividends to our membership, with \$1.2M earned through Certificates of Deposit. Additionally, members received approximately \$17k in cash rewards through our Rewards Checking product. We encourage all members to take full advantage of these opportunities designed to enhance their financial well-being.

We also continue to invest in innovation to improve the member experience. Looking ahead to 2026, we are excited to introduce new digital enhancements, including updates to Banno, improvements to our phone system, and enhancements to our card services such as tap cards and mobile wallet capabilities. At the same time, we remain committed to supporting local businesses through enhanced deposit solutions and online services that help drive economic growth within our communities.

Equally important is our commitment to delivering exceptional in-person member experience. In 2025, we implemented standardized service training across our organization to ensure every member interaction reflects the high level of service our members expect and deserve. In 2026, we will introduce membership surveys to gather direct feedback and continue improving our service delivery.

Our credit union continues to demonstrate strong and steady growth. We now proudly serve approximately 9,350 members. Our loan portfolio has grown to over \$105 million, and shares have exceeded \$108 million. These are clear indicators of the trust our members place in us.

Hershey Federal Credit Union exists to serve both our members and our community. We are grateful for our increasing, loyal, and diverse membership and remain proud of our history. As we look to the future, we are committed to delivering outstanding member experiences, offering valuable products and services, and continuing to invest in initiatives that strengthen the communities we serve.

Frank Wagner, Chairperson

Joseph Marchese, Chief Executive Officer

Treasurer's Report

Treasurer's Report

During 2025, Hershey FCU maintained a strong financial position, supported by steady asset growth, strategic liquidity management, and sound capital controls. The credit union successfully navigated a dynamic economic environment, recording a \$5.8 million increase in assets, or 5% growth for the year. Total assets exceeded \$123 million at year-end. This growth reflected a balanced and measured approach to both loan and share growth.

Loans grew by approximately 5%, with total balances surpassing \$107 million at the end of 2025. Growth was strongest in real estate lending, particularly home equity loans and one-to-four family mortgages. Deposit balances increased by 2%, driven largely by a 10% increase in member certificate accounts.

To support loan demand while managing liquidity, Hershey FCU issued \$5.4 million in non-member certificates to other financial institutions, while also offering competitive certificate rate specials to members. These strategies contributed to a stable and improving net worth ratio, which rose from 9.22% in 2024 to 9.35% by year-end 2025. Looking ahead, the credit union will continue to balance growth with prudent capital management to maintain long-term financial stability.

Hershey FCU also reported strong earnings performance in 2025. Net interest income increased by 16%, driven primarily by loan growth. Loan interest income rose by 17%, while investment income declined slightly by 1% as funds were reallocated to support lending activity. The credit union returned approximately \$1.5 million in dividends to members. Net income for the year totaled \$928,975, reflecting the overall strength of the balance sheet.

A condensed financial statement is included in the Annual Report for additional details. Overall, Hershey FCU remains well positioned for sustainable growth and prepared to navigate economic challenges in an uncertain environment.

I would like to extend my sincere thanks to the Board of Directors, Committees, Management, and Staff for their continued dedication and commitment. Their efforts ensure that Hershey FCU remains a strong and reliable financial partner for our members and our community.

Amy Hahn, Treasurer



ALCO Committee Report

ALCO Committee Report

The Asset/Liability Committee (ALCO) is composed of Hershey FCU Board members and members of the Senior Management Team. The Committee meets regularly to review loan and share rates, liquidity, investments, and other key financial and operational matters. ALCO also has the authority to adjust rates and take action on other financial decisions as needed.

Effective asset and liability management is essential to the financial strength of the credit union. The Hershey FCU Board of Directors relies on ALCO to act on its behalf and to remain responsive to the needs of the credit union and its members.

In 2025, Hershey FCU maintained a strong financial position, supported by adequate liquidity, a conservative investment strategy, and controlled loan and asset growth. The credit union continues to follow a flexible and forward-looking approach and is well positioned for the future. ALCO remains committed to meeting member needs while preserving the safety and soundness of the credit union.

I would like to thank my fellow ALCO committee members—Diane Bechtel, Jill Sottile, and Joseph Marchese—for their dedication and assistance throughout 2025.

Amy Hahn, Treasurer/Chairperson



Statement of Financial Condition

Assets & Liabilities *As of December 31, 2025 (Condensed)*

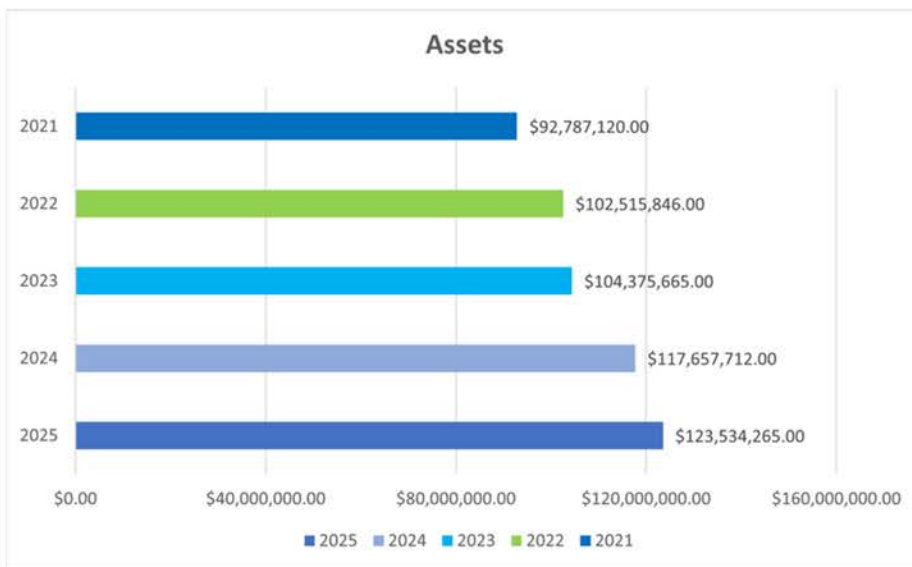
Assets	2024	2025
Loans (Net)	\$101,999,978	\$106,701,703
Cash & Investments	\$10,007,613	\$11,118,320
Other Assets	\$5,650,121	\$5,714,242
Total Assets	\$117,657,712	\$123,534,265
Liabilities	2024	2025
Deposits	\$102,837,427	\$105,239,274
Non-Member Deposits	\$3,911,000	\$5,445,000
Other Liabilities	\$383,027	\$1,394,758
Total Liabilities	\$107,131,454	\$112,079,032
Reserves	\$10,526,258.00	\$11,455,233
Total Liabilities/Reserves	\$117,657,712.00	\$123,534,265

Statement of Financial Condition *Continued*

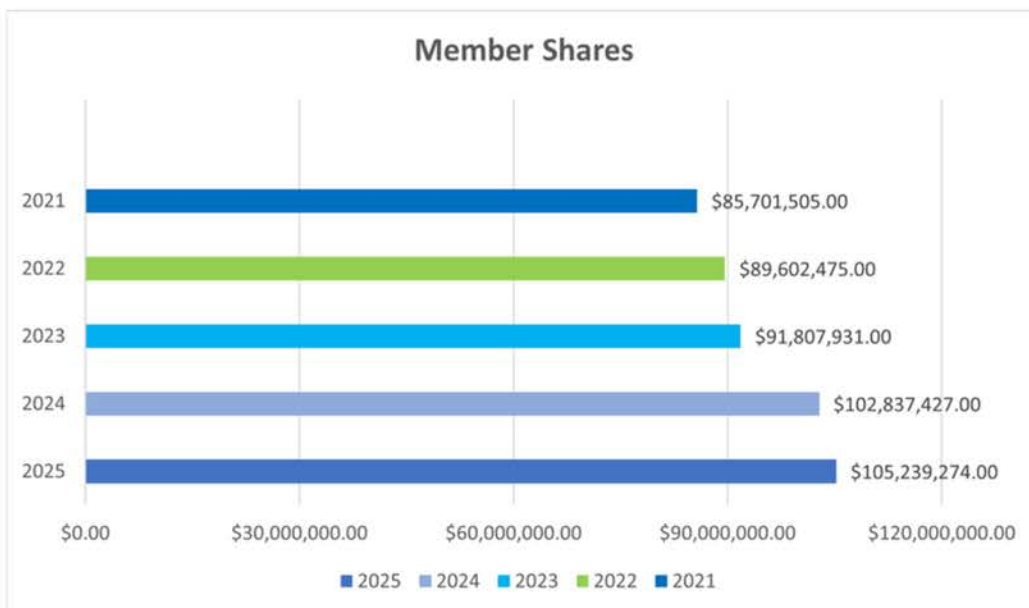
Income & Expenses *As of December 31, 2025 (Condensed)*

Income	2024	2025
Interest on Loans	\$4,928,378	\$5,778,790
Interest on Investments	\$535,852	\$4,793,006
Other Income	\$990,657	\$996,656
Total Income	\$6,454,887.00	\$7,254,753
Expenses		
Operating Expenses	\$4,056,218	\$4,744,543
Non-Operating Expenses	\$0	\$44,383
Net Income Before Divide	\$2,398,669	\$2,465,827
Dividends	\$1,511,795	\$1,536,852
Total Income	\$886,874.00	\$928,975

Financial Charts



Financial Charts *Continued*



Supervisory Committee Report

Supervisory Committee Report

The Supervisory Committee of Hershey Federal Credit Union operates in accordance with the guidelines established by the National Credit Union Administration and the bylaws of Hershey Federal Credit Union.

Ensuring the safety and soundness of the credit union remains the committee's highest priority. During 2025, the committee engaged Feather CU Services, LLC to conduct its annual Supervisory Committee review of the credit union's financial statements. This review included testing of accounting records and auditing procedures, and no material weaknesses were identified.

In addition, throughout 2025, the committee contracted Feather CU Services, LLC to perform ongoing audits across the credit union. These engagements included reviews of cash operations, Bank Secrecy Act (BSA) compliance, Automated Clearing House (ACH) activities, and quarterly operational audits. The results of these quarterly audits indicated that the credit union is effectively managing its operations and has implemented adequate and appropriate internal controls and operational practices.

The Supervisory Committee extends its appreciation to the Board of Directors, Chief Executive Officer Joe Marchese, and the dedicated staff for their continued cooperation and commitment to maintaining the safety and soundness of Hershey Federal Credit Union.

Daniel Davis, Director/Chairperson

Hershey FCU Leadership

Hershey FCU Leadership

Board of Directors

Franklin D. Wagner	Chairperson	Colleen Gallo	Director
Dan Davis	Vice Chairperson	Sarah Harmer	Director
Amy Hahn	Treasurer	William Sprandel	Director Emeritus
B. Dianne Bechtel	Assistant Treasurer	Ercoli DiVittore	Director Emeritus
Paul Wagner	Secretary	Barbara Mclaughlin	Director Emeritus

Supervisory Committee

Dan Davis	Chairperson
Diane Carroll	Committee Member
Elaine Royer	Committee Member
Chris Edenbo	Committee Member

Management Team

Joseph Marchese, Chief Executive Officer	Madison Brandt, Human Resources Manager
Jill Sottile, Chief Financial Officer	Nathan Cook, Commercial Lending Relationship Manager
Timothy Hertzog, VP of IT and Risk Management	Stephanie Kish, Accounting Manager
Irene Malena, VP of Operations & Project Management	Grace Lyons, IT Risk & Security Manager
Miranda Ikeda, VP of Member Experience	Catherine Roque, Marketing Manager
Tamara Hostetter, AVP of Branch Operations	James Edrington, Business Development Officer



COMMUNITY OUTREACH

OVER
130
HOURS
VOLUNTEERED

OVER

\$26.5K

DONATED
LOCALLY

Hershey FCU donated more than \$26.5K in monetary contributions to several local organizations throughout 2025, not including Fall Fest donations. We also partnered with the Hershey Bears to sponsor their Coco Kids Club by covering membership fees and providing \$10 deposits for kids who opened Hershey FCU accounts. In addition, we made physical donations to United Way of Lebanon, Pack 9 Rescue, Hershey Food Bank, Caring Cupboard, the Humane Society, and many others.

Fall Fest

At Hershey FCU, it is important for us to give back to our community and one of the ways we do that is by hosting a community event each year with FREE admission. Fall Fest is a free family-friendly, fun event for all ages. We have tons of free activities and stations, food trucks, vendors to shop, raffles and live music! All proceeds from Fall Fest are donated to local charities in participation at the event, such as local food banks.





Hershey
FEDERAL CREDIT UNION

HersheyFCU.org | 717.533.9174
232 Hershey Rd, Hummelstown, PA 17036