

CENTRAL PA'S DRIVE FREE FOR THREE AUTO LOAN HEADQUARTERS



# ANNUAL 2015 REPORT

HUMMELSTOWN — HERSHEY — ANNVILLE

In 2015, Hershey Federal Credit Union celebrated our 66th year of business, serving the needs of our member-owners.

We continued to see the local banking market change with banks entering and exiting our community in an effort to generate a profit for their stockholders. As a financial cooperative, HFCU is owned by you, our member-owners, and is safe from stockholders deciding to sell the institution for their own financial gain. This allows HFCU to continue to be a Strong, Secure & Trusted alternative to the banks, especially since we offer the same products and services that the larger, even national, financial institutions do.

### **During 2015, we continued to improve our services for members:**

- We added a new mortgage partner who provides the great service our members have come to expect with discounted fees
- Mobile Branch was upgraded to include real-time alerts, fingerprint identification and pending transactions
- We introduced AutoDraft, an auto loan pre-approval product that allows members to shop for the best deal with “cash in hand”
- VISA Credit cards were upgraded to include the EMV chip for greater fraud protection
- Drive Free For Three auto loan program became an ongoing program to members

### **We will continue to expand our services in 2016:**

- Mobile Branch will soon include mobile check capture, card controls and enhanced Bill Payer features
- New VISA Debit cards with the EMV chip will be introduced to provide greater fraud protection
- Upgrade the Chocolate Avenue office

We thank the HFCU Board of Directors and the Supervisory Committee who continue to volunteer their time to provide a Strong, Secure and Trusted alternative to the banking world. We also thank the management team and dedicated staff who greet you daily and provide you exceptional service.



Richard F. Miller  
Board Chair



Paul R. Wagner  
President & CEO

During 2015 the economy continued to improve. Assets increased by \$2,458,005 or about 4.36%. Share deposits grew by 4.52% while loans increased by 5.77%. Loan growth was again attributed to loans on small business real estate. Demand for vehicle loans continued to be light.

Net earnings for 2015 were slightly improved over 2014, but still low as a result of the continued low-rate environment.



ERCOLI J. DIVITTORE  
TREASURER

The condensed financial statement is included in the Annual Report. Please review it for more information. The financial analysis shows that HFCU continues to be secure and well-positioned for growth and continued service to members.

I thank the Board of Directors, Committees, Management and Staff for their continued dedication and assistance during the year. The members are fortunate to have such dedicated individuals working on their behalf for the benefit of the credit union.

## ALCO COMMITTEE REPORT

The Asset/Liability Committee (ALCO) is made up of several HFCU Board members and the HFCU Senior Management Team. The committee meets to review loan and share rates, liquidity, investments and other financial and operational issues. The committee also discusses and reviews all the financial issues and has the authority to change rates, as needed, and act on other decisions.



FRANKLIN D. WAGNER  
CHAIRPERSON

Asset and liability management is an important part of the credit union financial management. The HFCU Board of Directors relies on the committee to act on their behalf and to be responsive to the needs of the credit union and its members.

I wish to thank the ALCO committee members: Ercoli DiVittore, Paul Wagner, Jill Sottile, Diane Mease, Nicole Smith and Dareck Caroway for their assistance in 2015.

**ASSETS & LIABILITIES**

AS OF DECEMBER 31, 2015 (CONDENSED)

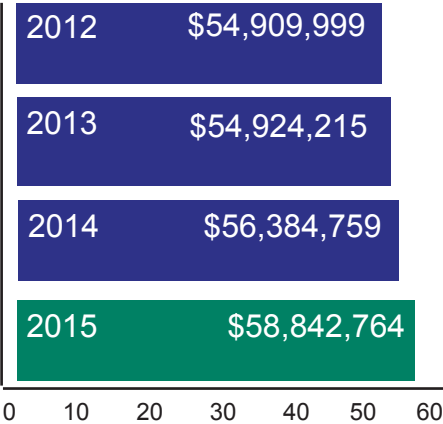
<b>Assets</b>	<b>2015</b>	<b>2014</b>
Loans Net	\$37,876,826	\$35,808,970
Cash and Investments	16,637,142	16,295,552
Other Assets	4,328,796	4,280,237
<b>Total Assets</b>	<b>\$58,842,764</b>	<b>\$56,384,759</b>
<b>Liabilities</b>		
Deposits	\$54,034,737	\$51,698,509
Other liabilities	169,159	141,182
<b>Total Liabilities</b>	<b>\$54,203,896</b>	<b>\$51,839,691</b>
Reserves	4,638,868	4,545,068
<b>Total Liabilities/Reserves</b>	<b>\$58,842,764</b>	<b>\$56,384,759</b>

**INCOME & EXPENSES**

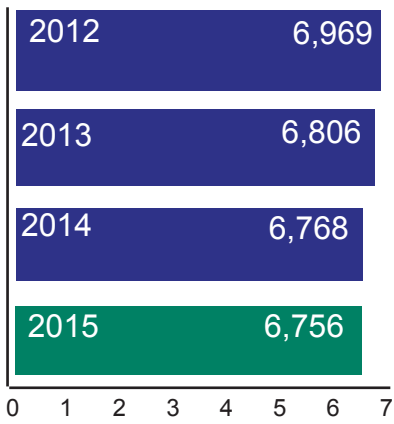
AS OF DECEMBER 31, 2015 (CONDENSED)

<b>Income</b>	<b>2015</b>	<b>2014</b>
Interest on Loans	\$1,649,678	\$1,547,972
Interest on Investments	152,284	143,665
Other Income	818,980	778,897
<b>Total Income</b>	<b>\$2,620,942</b>	<b>\$2,470,535</b>
Operating Expenses	\$2,423,458	\$2,219,613
Non-Operating Expenses	2,500	39,577
<b>Net Income Before Dividends</b>	<b>\$194,984</b>	<b>\$211,344</b>
Dividends	101,184	123,978
<b>Net Income</b>	<b>\$93,800</b>	<b>\$87,366</b>

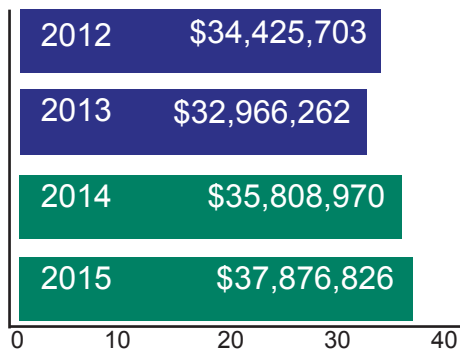
ASSETS



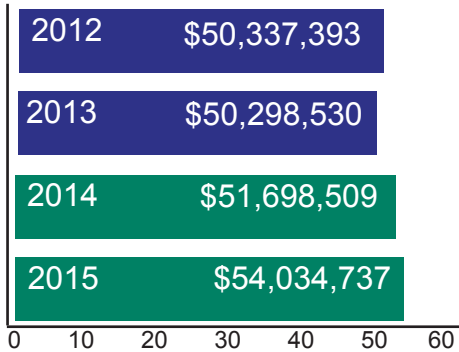
MEMBERSHIP



LOANS



MEMBER SHARES



The Supervisory Committee of Hershey Federal Credit Union complies with the guidelines set forth by the National Credit Union Administration and the bylaws of Hershey Federal Credit Union.



LORI A. GALL  
CHAIRPERSON

Commitment to safety and soundness is our foremost concern. In 2015, the committee engaged Feather CU Services, LLC to conduct the Supervisory Committee Annual Review of the financial statements. The review included tests of accounting records and auditing procedures. No material weaknesses were identified as a result of the review.

To conform with HFCU’s commitment to the highest levels of safety and soundness, throughout 2015, the committee performed various audits to assess the adequacy of, and effectiveness of, the internal controls. Once again, no material weaknesses were identified.

The committee would like to thank the Board of Directors, President Wagner and his excellent staff for their continued support and commitment to excellence and the safety and soundness of Hershey Federal Credit Union.

**HFCU LEADERSHIP**

**Board of Directors**

- Richard F. Miller ..... Chairman
- Dennis H. Berkhimer..... Vice Chairman
- Rita F. Ramacciotti..... Secretary
- Ercoli J. DiVittore ..... Treasurer
- Franklin D. Wagner .....Assistant Treasurer
- Barbara A. McLaughlin
- William Sprandel..... Director Emeritus

**Supervisory Committee**

- Lori Gall ..... Chairperson
- Diane Carroll
- Dan Davis
- Francois Houde



MIRACLE BALL



HALLOWEEN PARADE



NATIONAL NIGHT OUT



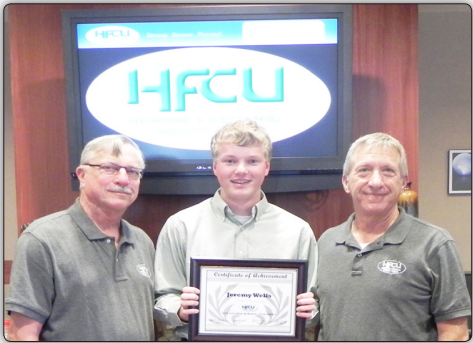
YOUTH DAY



SS RETIREMENT SEMINAR




SCHOLARSHIP WINNER




Paul Wagner ..... President & CEO  
Jill Sottile ..... Executive Vice President  
Dareck Caroway ..... VP Member Services  
Diane Mease ..... VP Lending  
Nicole Smith ..... VP Risk, Compliance & Security

## HFCU BRANCH INFORMATION



 **Hummelstown**  
232 Hershey Road  
Hummelstown, PA 17036

 **Hershey**  
904 E. Chocolate Avenue  
Hershey, PA 17033

 **Annville**  
710 E. Main Street  
Annville, PA 17003

## HFCU CONTACT INFORMATION

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