



Hershey
FEDERAL CREDIT UNION



2024 ANNUAL REPORT



Hershey
FEDERAL CREDIT UNION

C O R E V A L U E S



Service

Hershey FCU strives for excellent service and creating value for our members.



Community

Hershey FCU believes in creating a sense of belonging and supporting others.



Commitment

We are committed to giving our time and energy to serving our communities.



Integrity

We value honesty, honoring our commitments, and respect.

Leadership Report

As we reflect on this milestone year, Hershey Federal Credit Union is honored to have served our members and communities for the last 75 years. Since 1949, we have been committed to providing high-quality products and services that improve the financial lives of our members. The word "membership" evokes a spirit of togetherness, and we embrace that spirit through exceptional service, unwavering commitment to our mission, community support, and integrity in everything we do.

Hershey Federal Credit Union is dedicated to enhancing our community through volunteerism, financial support, and educational initiatives. In 2024, we donated over \$10,000 to various non-profits and partnered with organizations like the Giving Tree of Hershey and Hummelstown, the Hershey Food Bank, and Caring Cupboard to make a meaningful impact. We also promote financial literacy with youth education programs and easy-to-use resources such as our Banzai financial education portal. Through Banzai, members can learn about home buying, debt consolidation, and budgeting with a special focus on youth and adult programs. Looking ahead in 2025, we're expanding our outreach in local schools, libraries, and community organizations to foster financial literacy.

Our priority is to give back to our members and local communities. In 2024, Hershey Federal Credit Union returned \$1.5 million in dividends to our membership, with \$1.398 million earned through Certificates of Deposit. We also reinvested our resources to enhance the member experience. Over the past two years, we've made significant investments to grow and improve the credit union. In 2023, we upgraded our online and mobile banking platforms, introducing ACH capabilities for seamless transfers to other financial institutions. We also launched a new digital application program, making it easier for both new and existing members to apply for loans and accounts. Additionally, we redesigned our website for improved navigation and integrated all digital services. Our Hershey FCU Rewards Checking product was enhanced in 2024, with members now earning \$0.50 per swipe on qualified transactions, resulting in roughly \$13,000 in cash rewards for our members. We encourage all members to take advantage of this free reward opportunity.

Leadership Report *Continued*

These service enhancements have improved the member experience and positioned us for continued growth in 2024 and beyond. In August, we completed a merger with Local #520 UA FCU, adding 1,483 members and increasing the credit union's assets by approximately \$7.5 million. We are proud to welcome our new Local #520 members and look forward to enriching their financial lives as part of Hershey Federal Credit Union.

Looking ahead to 2025, we're excited to introduce new digital enhancements, including improvements to card services like tap cards and wallet pay. We are also committed to supporting local businesses through enhanced deposit and online services, helping drive the mission of supporting our community.

We are equally committed to maintaining an excellent in-person membership experience. Over the past six years, our credit union has grown by 2,485 new members, and our loan portfolio has increased by \$58.6 million, while shares have grown by \$40.6 million. We've expanded our team from 22 employees to 30 this year, ensuring we can continue to provide exceptional service as we support this growth. This expansion has also led to a need for more office space. At the end of last year, we began an affordable renovation project at our Hummelstown office. The renovation includes additional office space, a re-opening of the drive-up member service, and the continuation of our ATM and night drop services. We expect the drive-up to re-open by early summer. Additionally, we are working on standardized membership experience training for all staff to ensure that every member interaction reflects the quality of service we value. Later this year, Hershey Federal Credit Union will roll out membership surveys to gather actionable feedback directly from our members.

Hershey Federal Credit Union exists to serve both our members and our community. We are grateful for our growing, loyal, and diverse membership and proud of our history. As we look to the future, we remain committed to delivering outstanding member experiences, offering products and services that benefit our members, and engaging in volunteer activities that support the communities we serve.

Frank Wagner, Chairperson
Joseph E Marchese, Chief Executive Officer

Treasurer's Report

During 2024, Hershey FCU maintained a strong financial position, marked by steady asset growth, robust liquidity management, and solid capital controls. The credit union continued to adapt to a dynamic economic environment, driving a \$13.2 million increase in assets (12.72% growth), bringing total assets to over \$117 million by year-end. This growth resulted from a balanced approach to both share and loan growth, as well as the merger of Local #520 UA FCU. Membership grew from 7,177 to 9,348 members during 2024 as a result of these efforts.

To manage liquidity while supporting loan demand, the credit union issued \$3.911 million in non-member certificates to other financial institutions. Additionally, through a CD rate special, Hershey FCU successfully increased member certificates by \$9.862 million. This combination of strategies enabled the credit union to maintain a stable and improving net worth ratio, which rose from 8.58% in 2023 to 9.22% by year-end 2024. Moving forward, Hershey FCU will continue to balance growth with prudent capital management to ensure a secure financial position.

Interest income in 2024 increased by 32.1%, driven by two key factors: consistent loan growth—particularly in real estate loans—and a rise in investment earnings due to increased liquidity and a higher interest rate environment. Loan interest grew by 23.79%, while investment interest surged by 240%. Hershey FCU paid approximately \$1,511,795 in dividends to members, a \$940,499 increase from the prior year. Net income for 2024 totaled \$886,874, reflecting the strong performance of the credit union's balance sheet.

The condensed financial statement is included in the Annual Report for further details. Overall, Hershey FCU remains well-positioned for sustainable growth and is prepared to navigate any economic challenges, including a potential recession.

I would like to extend my sincere thanks to the Board of Directors, Committees, Management, and Staff for their continued dedication, which has allowed Hershey FCU to remain a strong financial partner for our members and our community.

Amy Hahn, Treasurer

ALCO Committee Report

The Asset/Liability Committee (ALCO) is made of Hershey FCU Board members and members of the Hershey FCU Senior Management Team. The committee meets to review loan and share rates, liquidity, investments and other financial as well as 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. Asset and liability management is an important part of the credit union financial management. The Hershey FCU 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. In 2024, Hershey FCU was positioned with adequate liquidity, a conservative investment approach, and controlled loan and asset growth. We have maintained an adaptable strategy and are well positioned for the future. Hershey FCU remains ready in its Asset and Liability Management approach to meet the needs of members and working to preserve the safety and soundness of the credit union.

I wish to thank the ALCO committee members: Diane Bechtel, Jill Sottile, Michael Stern and Joseph Marchese for their assistance in 2024.

Amy Hahn, Treasurer

Statement of Financial Condition

Assets & Liabilities

As of December 31, 2024 (Condensed)

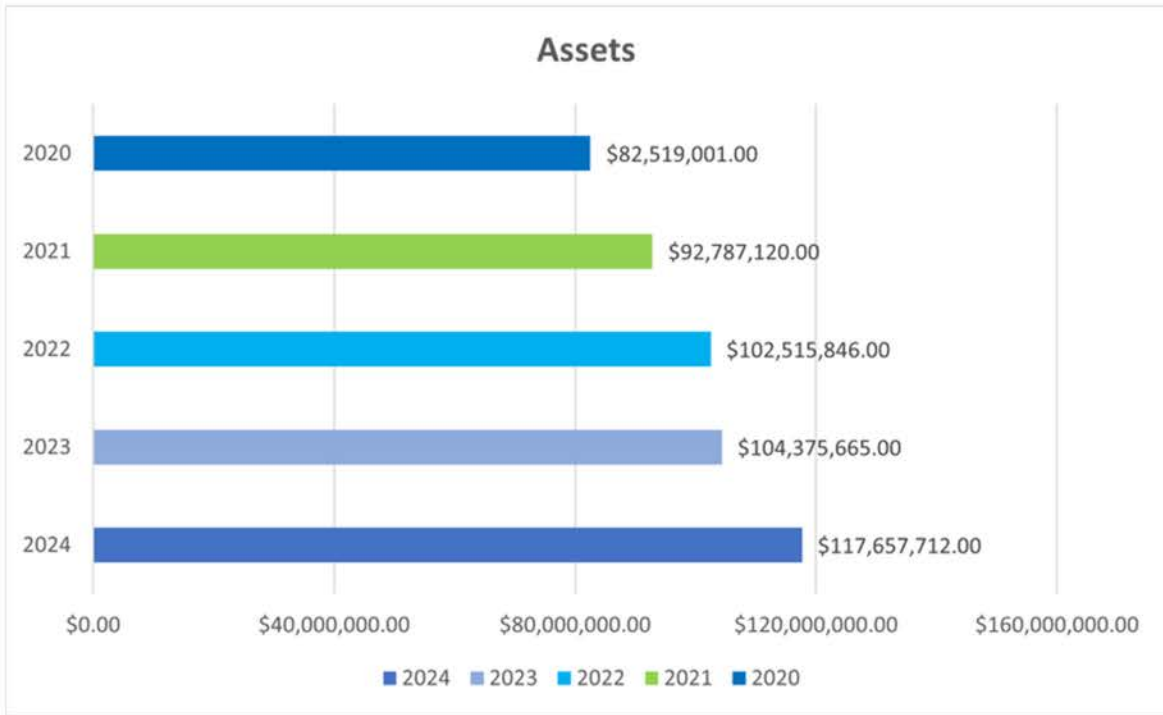
Assets	2023	2024
Loans (Net)	\$91,078,355	\$101,999,978
Cash & Investments	\$7,974,039	\$10,007,613
Other Assets	\$5,323,271	\$5,650,121
Total Assets	\$104,375,665	\$117,657,712
Liabilities	2023	2024
Deposits	\$91,807,931	\$102,837,427
Non-Member Deposits	\$3,662,000	\$3,911,000
Other Liabilities	\$270,854	\$383,027
Total Liabilities	\$95,740,785	\$107,131,454
Reserves	\$8,634,880	\$10,526,258
Total Liabilities/Reserves	\$104,375,665	\$117,657,712

Income & Expenses

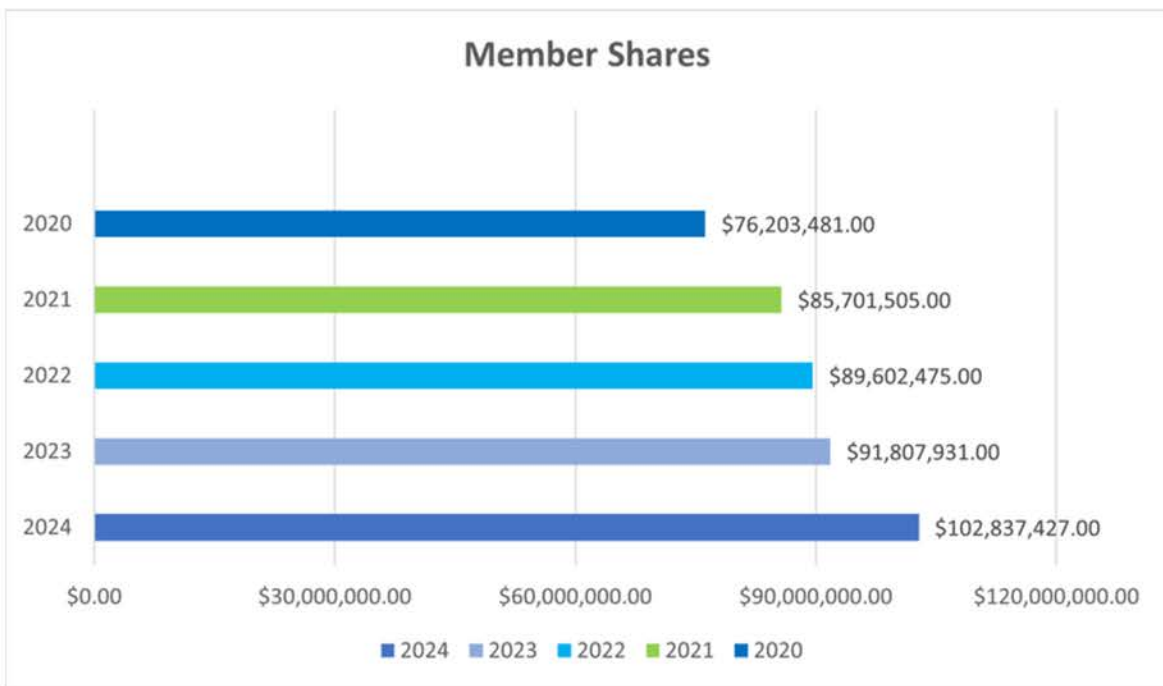
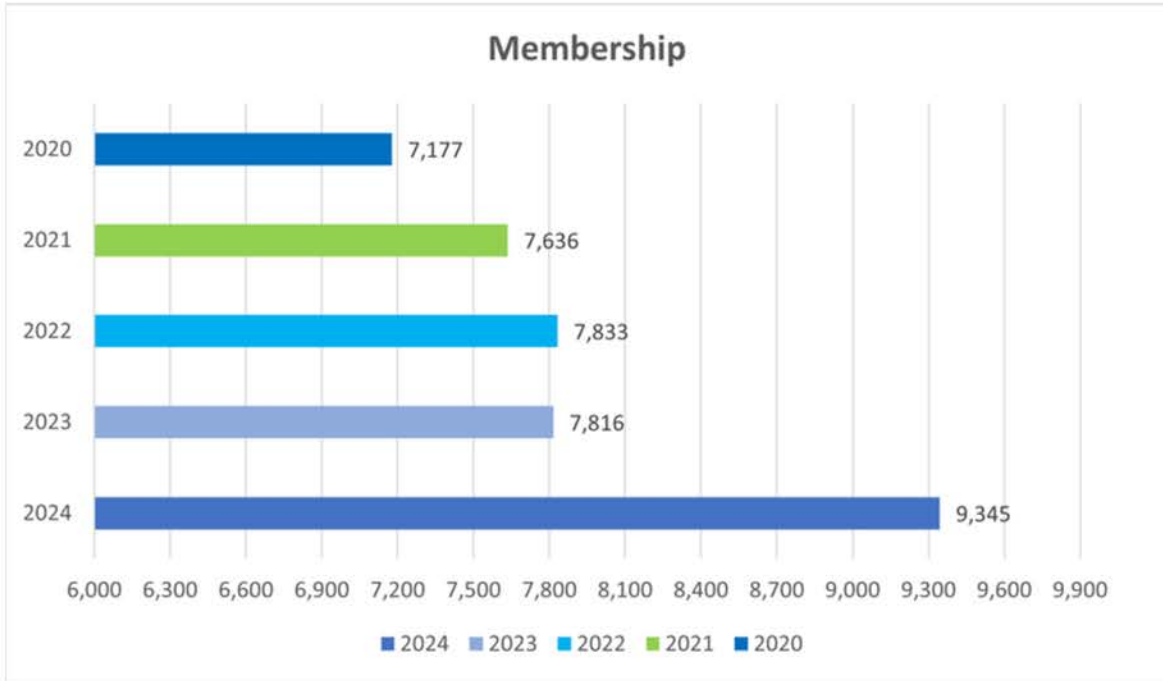
As of December 31, 2024 (Condensed)

Income	2023	2024
Interest on Loans	\$3,981,092	\$4,928,378
Interest on Investments	\$153,971	\$535,852
Other Income	\$939,153	\$990,657
Total Income	\$5,074,217	\$6,454,887
Expenses	2023	2024
Operating Expenses	\$3,617,246	\$4,056,218
Non-Operating Expenses	\$0	\$0
Net Income Before Dividends	\$1,456,971	\$2,398,669
Dividends	\$571,296	\$1,511,795
Total Income	\$885,675	\$886,874

Financial Charts



Financial Charts *Continued*



Supervisory Committee Report

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.

Commitment to safety and soundness is our foremost concern. In 2024, 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 Hershey FCU's commitment to the highest levels of safety and soundness, throughout 2024, the committee expanded the engagement with Chris Feather, CU Services, LLC to perform quarterly audits across various areas of the credit union to assess the adequacy of, and effectiveness of the internal controls.

The committee would like to thank the Board of Directors, Chief Executive Officer Joe Marchese, and the dedicated staff for their continued support and commitment to the safety and soundness of Hershey Federal Credit Union.

Daniel Davis, Director/Chairperson

Board of Directors

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

Supervisory Committee

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

Hershey FCU Management Team

Joseph Marchese	Chief Executive Officer
Jill Sottile	Chief Financial Officer
Michael Stern	Vice President of Lending
Irene Malena	VP of Operations & Project Management
Miranda Ikeda	Vice President of Member Experience
Laura Waller	Marketing Manager
Madison Brandt	Human Resources Manager
Stephanie Kish	Accounting Manager
Grace Lyons	IT Risk Security & Management
Tamara Hostetter	AVP Branch Operations

Community Outreach



Volunteer Hours

In 2024, our team volunteered over 450 hours with various organizations in our community.

Donations

Hershey FCU donated over \$11,000 in monetary donations to several local organizations, not including Fall Fest donations, throughout 2024. During the holidays, we teamed up with a local restaurant to help offer struggling families with a holiday meal free of charge. One of our new initiatives in 2024 was to sponsor a local family for the holidays by providing them with food and gifts. We provided physical donations to United Way of Lebanon, Pack 9 Rescue, Hershey Food Bank, Caring Cupboard, Lebanon VA Hospital, Humane Society, and more!

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 FCU