



ANNUAL REPORT 2019



BOARD PRESIDENT AND CEO MESSAGE

We had a remarkable year at 1st Ed Credit Union, proudly serving our members for 82 years and we appreciate you, our loyal member-owners. Thank you for continuing to trust us to help you with your financial needs!

Our staff was committed to giving their time and talent throughout the year and accomplished a lot in 2019. Here are some exciting things that took place last year.... we opened a new full-service branch with an ATM in the Hanover Crossing Shopping Center in October 2019. We updated our website to include a new Fraud Center to give our members easy access to tools and tips on Cybersecurity, fraud alerts, identity theft, and how to handle suspected fraud on your accounts. We grew our loan portfolio by 12 percent, added 195 new memberships and continue to be very well capitalized with a net worth of over 16 percent while offering very competitively priced loan and deposit rates.

1st Ed also understands that giving back and being a part of the communities in which we serve is extremely important. In 2019, we hosted free shred events at our Chambersburg and Greencastle locations where we safely and securely shredded over 3,000 pounds of sensitive documents for our members and others in our community. We offered seminars for students and community members on topics such as budgeting, building credit, saving, and spending and retirement options. We also hosted 5 Financial Reality Fairs reaching nearly 450 students in both Franklin and Fulton Counties. Reality Fairs are interactive budgeting exercises that help high school seniors and juniors get a taste of reality and prepare them for the future. Investing in our youth continues to be a top priority for 1st Ed, in 2019 we awarded four high school seniors each with a \$1,500 scholarship. In April and December, we celebrated youth month by depositing \$5 into every new youth account opened to help encourage good saving habits.

The credit union philosophy of “people helping people” is one that we continued to uphold in 2019 in many ways. 1st Ed was able to raise money through various employee fundraisers that allowed us to make donations to The Boys and Girls Club of Chambersburg & Shippensburg, Hanover Area YMCA, Comic Relief Inc., the United Way of Franklin County and more. 1st Ed also supported local businesses, non-profits, and school districts through sponsorships, some of which included Greencastle’s 40th Triennial Old Home Week, Hanover’s Dutch Day Fest, Greencastle Antrim Chamber of Commerce’s Annual Meeting, and Hanover Area Chamber of Commerce’s Educator of the Year.

We also held member appreciation days at all three of our branch locations to show our members just how much we appreciate them with food, fun giveaways, and special prizes.

As we look to the future, we continue to be committed to helping you, our members, meet your financial goals while always looking for new ways to give back to the communities in which we live and serve!

Respectfully,

Roy Johnson, Board President and Kelly Childress, CEO

ANNUAL MEETING AGENDA

August 17, 2020 at 5:30 pm

Location: Via Zoom

1. Call to Order-Roy Johnston, Board President
2. Ascertainment of Quorum-Alan Estes, Board Secretary
3. Approval of Minutes of April 15, 2019 Annual Meeting Minutes-Roy Johnston, Board President
4. Board President and CEO Report-Roy Johnston, Board President
5. Supervisory Committee Report-Carolyn Faith, Chairperson
6. Introduction of current Board of Directors and Supervisory Committee Members-Kelly Childress, CEO
7. Election-Nominating Committee, Deborah Westover, and Dixie Paruch
8. Financial Reports for 2019-Mandy Rhodes, Accounting Supervisor
9. 2020 Scholarship Recipients-Amy Bortner, Marketing/Business Development
10. Other Business-Roy Johnston, Board President
11. Meeting Adjournment-Roy Johnston, Board President

MINUTES OF THE ANNUAL MEETING

APRIL 15, 2019

The 81st Annual Meeting of the 1st ED Credit Union held at the Montessori Academy of Chambersburg was called to Order at 7:00 pm by Chairperson Roy Johnston. A quorum was declared by Secretary Alan Estes. The printed minutes of the Annual Meeting on April 16th, 2018 were declared approved by Chairperson Johnston. Minutes were unanimously approved by a Ken Morgan/Larry Bresnahan motion.

Chairperson Johnston welcomed the members to the meeting. He introduced the staff of the Credit Union and thanked them for their dedicated service to the members. Chairperson Johnston then gave a brief report on the activities and events sponsored by the Credit Union in the past year.

Kelly Childress, President & CEO reported on the financial aspects, membership activities and growth over the past year. Kelly also pointed out several "highlights" of 2018 including: Opening of the Greencastle Branch, overall growth in 2018, stability of the CU and the great staff of the CU. Kelly also mentioned the opening of the Hanover, PA Branch, which is York County, coming in Fall, 2019.

Kelly thanked the members for their commitment, the Board members & Supervisory Committee for their efforts. Kelly also thanked the 1st ED Staff for their efforts.

Alan Estes introduced the three candidates for the Board of Directors. There were three positions available. Alan opened to the floor for nominations. No nominations were presented. A motion to close the nominations was approved by a Roberta Johnson/Brian Campbell motion. The three candidates were elected without vote required as directed in the bylaws.

Amanda Dickson, Greencastle branch manager reported several KPI's for the Greencastle branch and she also talked about different events at the branch. Amanda spoke about an upcoming open house and she also recognized her team at Greencastle.

Carolyn Faith of the Supervisory Committee reported on a recent examination at the CU. Carolyn reported the exam was in favor of the CU and reflected well.

Mandy Rhodes from accounting reported several financial numbers reflecting the financial posture of the CU.

Laureen Lutz, VP of Retail Delivery spoke about giving back to the members and community. Laureen also spoke about some of the free and paid services offered by the CU including identity theft, fraud prevention, added security and financial education.

Sam Phillips, E-Commerce/Marketing introduced the four Scholarship recipients, Tanner Althoff from Bermudian Springs, Colin Boyd from Big Spring, Maggie Strawoet from James Buchanan and (not in attendance) Sydnee Loy from New Oxford High. Each student will receive \$1,500.

Sam Phillips announced the Door Prizes. Karen Wildeson won the TV and Harold Wildeson won the flashlight.

New Business:

Board of Directors Election Results: Deb Westover, Dixie Paurch and Robin Harmon were elected to a three-year term. Reorganization of Officers was declared as follows; Roy Johnston - President, unanimously approved by a Campbell/Estes motion. Deborah Westover - Vice President, unanimously approved by a Estes/Paruch motion. Alan Estes - Secretary, unanimously approved by a Nelson/Campbell motion. ALCO Committee includes Brian Campbell and Dixie Paruch, unanimously approved by an Estes/Nelson motion.

The meeting was adjourned at 7:30 pm.

Respectfully Submitted,



Alan Estes
Secretary
1st ED Credit Union
Board of Directors

ANNUAL MEETING ELECTION

RUNNING FOR THE OPEN POSITION ON THE BOARD OF DIRECTORS:



BRIAN J. CAMPBELL

Experience: Conewago Valley School District Applied Technologies Department Head - Budgeting was a big part of my responsibilities as CVSD Department Head. The Applied Technologies budget was extensive and involved approximately \$50,000-\$100,000 per school year.

Hamilton Township Finance Committee Chair - I have been the chair of the finance committee for our local township. We are responsible for preparing the yearly budget for our township that is normally around \$1,000,000. We meet at least quarterly, until our budget process when we begin to meet monthly. We review township finances during each meeting and discuss best financial practices for our township. I have been a member of 1st Ed Credit Union for 35+ years.

Employment: I was employed as an agriculture teacher for Conewago Valley School District for 35 years. I was also the FFA Advisor for New Oxford FFA for 35 years. I was a curriculum Leader/Department Head for Applied Technologies for 15 years. The department included Technology Education, Business Education, and Agriculture. I was responsible for curriculum, staffing and budgeting before I retired in June 2016.

Family: Married to Patricia A. Campbell for 33 years with two grown children. Hobbies: Mission work with my local church in Gettysburg and Reach Mission Trips out of Greely, CO. I also enjoy gardening and completing general home improvements and handyman projects.

ANNUAL MEETING ELECTION

RUNNING FOR THE OPEN POSITIONS ON THE SUPERVISORY COMMITTEE:



THOMAS HOFFMAN

Born and raised in Waynesboro, Thomas Hoffman has worked for the Waynesboro Area School District for the past twenty years and currently serves as their Cooperative Education Coordinator and Head Coach for the Boys' Basketball team. He received his Bachelor of Science in Business Administration from Millersville University and attended Mount St. Mary's to obtain his Business Education Teacher Certification and his Master of Teaching.

He has served in the past and continues to dedicate his time to various churches, athletic organizations, and educational and workforce development boards and committees. Some of the organizations he has committed to include: the Waynesboro Church of the Brethren; CrossWalk Church; Waynesboro Youth League; Waynesboro

Area Business, Education, and Community (WABEC) Foundation; Waynesboro Basketball Association; Community Education Coalition; and the Waynesboro Area YMCA. In his free time, he enjoys spending time with his wife, Jennifer, and three children, playing sports, watching movies and reading as time allows.

Thomas has been a member of 1st Ed Credit Union for the past 15 years and joined through the recommendation of his co-workers to take advantage of the great rates and services that catered to local educators. Although he has never worked in the financial industry, he looks forward to learning new things and giving his insight as an outsider to the other committee members. He enjoys holding leadership positions, possesses a servant attitude, and feels that the role of Supervisory Committee Member will suit him well.

I inherited my commitment to serve the credit union from family members who believed strongly in the success of the credit union and always putting members first. I am presently Chairperson of the Supervisory Committee of 1st Ed Credit Union. I have served on the committee for several years working with board members, administrative staff and the independent accounting firm Smith Elliott Kearns & Company, LLC.

I graduated from Elizabethtown College with a degree in Early Childhood Education. I received my Master's Degree from Shippensburg University in Elementary Education. I am retired from by Chambersburg Area School District where I taught second grade at Fayetteville Elementary School.

I reside in Chambersburg with my husband and feel that spending time with my grown children and their families is very rewarding. I enjoy being at home, entertaining, cooking, the outdoors, good music, and visits to the family farm. Being a member of the credit union for over 30 years has been a wise choice and I am pleased to serve and recommend the many services the credit union provides to its members.



CAROLYN FAITH

STATEMENT OF FINANCIAL REPORTS

	2019	2018
ASSETS		
Total Loans	\$59,719,544	\$53,382,249
Allowance for Loan Loss	-\$545,929	-\$499,510
Net Loans	\$59,173,615	\$52,882,739
Cash	\$515,281	\$363,818
Investments	\$54,269,049	\$60,130,118
Land and Building	\$1,137,431	\$1,178,259
Other Assets	\$1,841,389	\$1,385,907
Total Assets	\$116,936,765	\$115,940,841
LIABILITIES AND MEMBER'S EQUITY		
Total Liabilities	\$392,734	\$355,841
Total Shares	\$67,316,243	\$68,355,113
Total IRA & Term Shares	\$19,103,367	\$20,029,552
Total Draft Shares	\$10,773,185	\$9,627,276
Total Equity	\$19,351,236	\$17,573,059
Total Liabilities and Equity	\$116,936,765	\$115,940,841
STATEMENT OF INCOME AND EXPENSES		
Interest on Loans	\$2,376,643	\$2,117,928
Interest on Investments	\$1,147,354	\$1,159,440
Other Income	\$540,485	\$579,421
Total Income	\$4,064,482	\$3,856,789
Divident Expenses	\$327,651	\$286,079
Net Interest Income	\$3,736,831	\$3,570,710
Operating Expenses	\$3,054,444	\$2,640,783
Provisions for Loan Losses	\$88,500	\$4,000
NCUSIF Stabilization Expense	\$0	\$0
Total Expense	\$3,142,944	\$2,644,783
NET Income/(Loss)	\$593,887	\$925,927

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee serves as the audit committee for the credit union. This committee is comprised of three members, and their role is to ensure accuracy of financial records and to review new policies and procedures of the credit union.

The Supervisory Committee engaged the independent accounting firm of SEK, CPAs and Advisors to perform monitoring procedures to ensure the committee can meet its responsibilities to the credit union and members. Procedures included an arbitrary review of new loans and new investment policies, as well as monitoring the compliance of other Bank Secrecy Act and Anti-Money Laundering policies. Procedures included random cash counts, verification of proper loan interest, and dividend calculations. The committee is pleased to say there were few exceptions found and the credit union received satisfactory reports.

The Supervisory Committee also engaged SEK to audit the credit union's financial statements as of March 31, 2019. The committee is pleased to report that the annual audit was successfully completed, and the credit union's financial statements were certified without qualification.

Carolyn M. Faith
Chairperson

SCHOLARSHIP RECIPIENTS



Alexis Rosenberry is currently a senior at Waynesboro Area Senior High School where she is a Future Business Leaders of America Club Officer, National Honor Society Member, and Varsity Softball Team Captain. She also serves as team captain for a local Club Softball Team and received the Daughters of the American Revolution Good Citizens Award based on her dependability, service, leadership, and patriotism. Alexis plans to attend Drexel University this fall and major in Biology/ Pre-Medicine.



Elaina Furnish will be graduating from Greencastle-Antrim High School this spring where she is a very active member of her class as a Peer Leader, a member of the National Honor Society, and the Varsity Soccer Team Captain. Outside of school, she volunteers at Camp Joy El and is in her final year of their 4.12 Leadership Training Program. Last summer she also worked as a lifeguard where she taught young children how to swim and ensured the safety of the pool guests. Elaina will be attending Geneva College to pursue a degree in Education.



Taylor Myers is a senior at Chambersburg Area Senior High School where she is a member of the National Honor Society, the PA All-State 6A Softball Team, and was chosen to receive the Army Award for displaying dedication and leadership values. As a teenager living with Cystic Fibrosis, she is heavily involved with the Cystic Fibrosis Foundation and is proud to see her efforts and donations produce results that benefit those living with the disease now and in the future. She also takes great joy in teaching 3 - 9-year-olds gymnastics and dance at the Wilson School of Gymnastics and Dance. Taylor will be attending Shippensburg University in the fall where she will be majoring in Elementary Education.

SCHOLARSHIP RECIPIENTS



Kaley Barnhart is currently a senior at Greencastle-Antrim High School where she is a member of the RHO Kappa Social Studies National Honor Society and the Field Hockey Team. She has spent the last two years working in the kitchen at the Greencastle V.F.W. Through her community service efforts in a 2nd-grade classroom and her internship with the kindergarten students this year, Kaley knew she wanted to major in Early Childhood Education at Wilson College this fall and hopes to be a kindergarten teacher.



Cullen Talhelm will graduate from Chambersburg Area Senior High School this spring. He has been playing the trumpet since 5th grade when he joined the school band and since has participated in marching band, concert band, and jazz band throughout his high school career. He is also a member of the National Honor Society and currently working to achieve Eagle rank in the Boy Scouts. Over the past two years, Cullen has learned many business skills during his time working for Shatzer's Fruit Market and Orchard. Cullen will be attending Penn State University to pursue a degree in Civil Engineering.



Andrea Fox is a senior at Chambersburg Area Career Magnet School where she is a member of the National Honor Society and National Technical Honor Society, the Student School Board and HOSA. Outside of school she volunteers at the Chambersburg Hospital and works as a CNA at SpiriTrust Lutheran. Working as a CNA and hospital volunteer has confirmed Andrea's hopes to continue her education at Penn State - Mont Alto where she will work towards a Bachelor of Science in Nursing in their RN Program.

BOARD OF DIRECTORS

Roy Johnston-Board President
Deborah Westover-Board Vice President
Alan Estes-Board Secretary
Dixie Paruch-Board Member
Brian Campbell-Board Member
Andrew Nelson-Board Member
Robin Harmon-Board Member

SUPERVISORY COMMITTEE

Carolyn Faith-Chairperson
Larry Bresnahan-Committee Member

ELECTION INFORMATION

Board of Directors

Brian Campbell

Supervisory Committee

Carolyn Faith
Thomas Hoffman

FEELIN' GOOD IN THE COMMUNITY



Red Nose Day

Red Nose Day is a campaign to end child poverty, one nose at a time. Through the power of entertainment, Red Nose Day raises money and awareness to ensure children who need our help the most are safe, healthy and educated in America and around the world.

Red Nose Day 2020 was on Thursday, May 21, 2020.



See more of what 1st Ed is doing in the community
<https://www.1edcu.org/about-us/community/>



1156 KENNEBEC DRIVE
CHAMBERSBURG, PA 17201
717.264.6506
1EDCU.ORG

