

2024 Annual Report

Dear Members,

We are very excited to be celebrating 66 years of success! It is with great pleasure that we present to you the Penn State Federal Credit Union 2024 Annual Report. In 1959, a group of faculty members from the College of Agriculture started Penn State Federal Credit Union as a very small financial cooperative totally run by volunteers. Penn State Federal has evolved to a full service \$251 million-dollar (as of 12/31/2024) financial institution with two locations and 43 employees. **Our mission and commitment remain the same - members helping members every day in the ordinary and extraordinary moments of their lives.**

2024 OPERATIONAL UPDATES

Online membership applications have been on our strategic plan for quite some time. It was a long and tedious process, and we are happy to announce we now have an easy way for individuals to apply for membership without traveling to the office.

In 2024 we worked on an updated and modern website. The new website was introduced on January 9, 2025.

We've also been named the Best Bank/Credit Union in the Best of State College survey AGAIN!

FINANCIAL SNAPSHOT

Penn State Federal ended 2024 with \$251 million in assets, an increase of \$13.1million (5.51%) over 2023. Total deposits increased \$10.3 million (4.82%) and loans decreased \$1.2million (-.98%). Gross income was \$10.53 million and gross operating expense was \$6.88 million. Year-end 2024, regulatory net worth ratio was 13.15%. The Credit Union remains financially strong with a total asset net worth ratio of 12.65% and total capital of \$31.7 million.

FINANCIAL EDUCATION

A Credit Union employee is a member of the Diversified Occupations Advisory Committee at SCASD. Teen Financial Education Classes are offered online to our Teen Club members. The number of teens completing the online lessons continues to increase.

SOCIAL RESPONSIBILITY

Community visibility continued to be a focus in 2024. Penn State Federal sponsored community events throughout the year: The Jana Marie Foundation, Centre Volunteers in Medicine, Community Café at St. Andrews, Meals on Wheels, the YMCA of Centre County backpack program along with their Fall Fest, State College Food Bank, Bellefonte and State College little leagues, local high school and travel athletic teams, Pink Zone Golf Tournament, The Jared Box Project, Central Pennsylvania Festival of the Arts, PAWS, First Night, Park Forest Preschool holiday boxes, Toys for Tots, and various other nonprofit events.

Penn State Federal granted six \$2000 scholarships to students attending post-secondary schools and is awarding 10 scholarships for 2025.

Penn State Federal's trellis at The Penn State Arboretum provides visibility of our support to the University in addition to THON and the Penn State Federal Trustee Scholarship through PSU.

FIELD OF MEMBERSHIP

Penn State Federal was originally chartered as a credit union for faculty and staff at all of Penn State's campuses. In the 1990's students were added to the field of membership. In addition, small employee and association groups (SEGs) have requested and been approved to be added to our field of membership.

CONTINUITY & TRANSITION

The Board of Directors and Management Team continued to work well together which created an environment conducive to personal and organizational growth. The Strategic Plan and Business Goals were updated for 2023-2025.

COMMITMENT

Penn State Federal's Board, Management Team and Staff are moving forward to achieve our vision that Penn State Federal Credit Union will be the preferred financial institution for the Penn State Community. Our continued successes are attributed to you, our members, staff and volunteers. We give a very special "thank you" to our membership for your support of Penn State Federal over the years and we look forward to our continued future together.

Penn State Federal, that's my Credit Union!

Cheryl Barr, CEO

Bob White, Chair of the Board



Board Members

	Term Expiration Year
Bob White, Chair	2027
Jane Agnelly, Vice Chair	2027
Jean Songer, Secretary	2027
Theresa Cummins, Treasurer	2025
Lynn DuBois, Director	2026
Gail Hurley, Director	2026
Jeffrey Hyde, Director	2026
Susan Morse, Director	2025
Judy Mudgett, Director	2025

Management Team

Cheryl Barr****, CEO
Kent Corl*, Business Lending Manager
Marnie Derabasse***, Senior Vice President of Consumer Lending
Cindy Greendon****, Senior Vice President of Operations
Dan Lestz****, CIO/CSO
Lori McTavish****, Senior Vice President of Marketing
Rick Tabor*, CFO
Donna Trapp****, Senior Vice President of Human Resources

Supervisory Committee

To the members of the Penn State Federal Credit Union,

The Penn State Federal Credit Union Supervisory Committee is comprised of members of the Credit Union who voluntarily serve its members in ensuring the Institution is financially and operationally sound. Following the mandate set forth in the Federal Credit Union Act and in compliance with the provisions set forth in the National Credit Union Administration's (NCUA) rules and regulations, the Supervisory Committee of the Penn State Federal Credit Union engaged Doeren Mayhew Assurance to perform the annual financial statement audit. Doeren Mayhew Assurance issued its opinion that the Credit Union's financial statements for the year ended December 31, 2024, are presented fairly in all material respects. Importantly, Penn State Federal Credit Union had no weaknesses in its controls over financial reporting. In other words, you can be assured that the Board of Directors, Supervisory Committee and Management Team are fulfilling their fiduciary responsibilities for sound fiscal stewardship.

The National Credit Union Administration, the Credit Union's federal regulator, conducted an examination during 2024 and had no material findings. All Credit Union deposit accounts are insured to \$250,000 and IRA accounts are insured to \$250,000 by the NCUA.

The Supervisory Committee commends the Board of Directors and staff of the Credit Union for their adherence to established principles of fiscal responsibility. Their dedication and expertise have provided a strong foundation that will enable your Credit Union to have continued growth and financial stability.

In closing, as Chairperson of the Supervisory Committee and on behalf of the other members, I would again like to express my gratitude to the Board of Directors of the Credit Union and their Staff for the professional manner in which they are maintaining a very efficient financial operation for the Credit Union members. Finally, I would like to thank all our Credit Union members for your continued support.

Respectfully submitted,
Roy James Orr Jr.
Chair, Supervisory Committee

Committee Members

Roy James Orr Jr., Chair
Judy Mudgett
Sue Smith

Financials

STATEMENTS OF FINANCIAL CONDITION

December 31, 2024 and 2023

ASSETS	2024	2023
Cash and Cash Equivalents	\$ 29,622,527	\$ 21,252,822
Interest-bearing Deposits	8,952,000	9,143,000
Investments		
Securities Available-for-sale	52,537,937	41,928,170
Securities Held-to-maturity	33,916,499	38,394,466
Loans Receivable, Net of Allowance for Loan Losses	117,977,236	119,263,491
Accrued Interest Receivable	636,080	554,276
Property and Equipment, Net of Accumulated Depreciation	4,039,230	4,017,193
National Credit Union Share Insurance Fund Deposit	2,110,019	2,102,148
Prepaid and Other Assets	1,089,326	1,128,508
TOTAL ASSETS	\$ 250,880,854	\$ 237,784,074

LIABILITIES AND MEMBERS' EQUITY	2024	2023
Liabilities		
Members' shares	\$ 224,463,655	\$ 214,145,830
Accounts payable and other liabilities	565,507	1,143,969
Total Liabilities	225,029,162	215,289,799
Members' Equity		
Undivided earnings	31,728,905	28,075,569
Accumulated other comprehensive loss	(5,877,213)	(5,581,294)
Total Members' Equity	25,851,692	22,494,275
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 250,880,854	\$ 237,784,074

Financials

STATEMENTS OF INCOME

Year Ended December 31, 2024 and 2023

	2024	2023
Interest Income		
Loans receivable	\$ 6,571,149	\$ 5,675,154
Investments and interest bearing accounts	4,440,605	3,221,507
Total Interest Income	11,011,754	8,896,661
Interest Expense		
Members' shares	1,653,823	543,882
Borrowings	728,451	174,980
Total Interest Expense	2,382,274	718,862
Net Interest Income	8,629,480	8,177,799
Provision for Loan Losses	451,451	216,214
Net Interest Income after Provision for Loan Losses	8,178,029	7,961,585
Non-interest Income		
Fees	184,679	321,501
Credit card and ATM transaction income	954,177	945,832
Other	214,208	235,955
Total Non-interest Income	1,353,064	1,503,288
Non-interest Expense		
Compensation and benefits	3,472,038	3,554,540
Operations	892,824	808,752
Occupancy	405,803	438,326
Marketing and promotion	87,893	69,313
Loan servicing	580,834	639,578
Professional outside services	301,486	247,103
Other operating expenses	136,880	142,635
Total Non-interest Expenses	5,877,758	5,900,247
NET INCOME	\$ 3,653,335	\$ 3,564,626

Penn State Federal Team Members who are committed to helping in our communities!

Administration

Katie Lyons**

Back Office Services

Shannon Ballenger****

Tom Dicus****

Melanie Stimer*

Paige Wolford*

Business Services

Lori Belko*

Christina Hinkle

Brandon Rhodes

Information Systems

Sam Bacza-Nelson*

Justin Maddox***

Steve Northamer***

Chris Snyder***

Lending Services

Teresa Albertine

Jen Bachowski

Gene Eichenlaub***

Jamie Gilham**

Michelle Haas

Tina Hepfer***

Paul Stodart****

Beth Walker*

Rachel Ward

Doug Welch***

Member Services

Lori DiFolco

Jeff Drapcho***

Nichole Exarchos

Tina Hibbert*

Gail Jones****

Carol Kuhlen*

Judi Morehouse

Linda Sauers

Julie Sealy**

Operations

Christine Boone****

Angela Gates*

Alyson Gross*

Linda Pelton**

* Denotes at least 5 years of service
** Denotes at least 10 years of service
*** Denotes at least 15 years of service
**** Denotes at least 20 years of service

Lori Belko

Vice President of Business Lending

- The Home Foundation (formerly the Temporary Housing Foundation) Board Secretary
- The Home Foundation Finance Committee
- Central PA Festival of the Arts Volunteer
- Central PA RMA Chapter Board Member

Gene Eichenlaub

Loan Service Representative

- Philipsburg Osceola Football Booster Club President

Alyson Gross

BSA/Compliance Officer

- Hyde Wesleyan Church Preschool Class Leader

Gail Jones

Branch Manager

- SCASD - Diversified Occupations Committee Member

Carol Kuhlen

Teller Service Representative

- Milesburg Food Pantry Volunteer

Dan Lestz

Chief Information/Security Officer

- ALPHA Fire Company -- Firefighter/Fire Police

Lori McTavish

Senior Vice President of Marketing

- State College High School Softball Booster Club Secretary
- State College Food Bank Board Member

Chris Synder

Systems Programmer

- Rising Hope Therapeutic Riding Center Volunteer

Donna Trapp

Senior Vice President of Human Resources

- AAUW Used Book Sale Co-Chair
- 2024 Rose Cologne AAUW Volunteer of the Year
- Community Cafe Volunteer

Doug Welch

Vice President of Lending

- Penns Valley Education Foundation Board Member and Treasurer



Spreading Good Cheer to Children in the Hospital.

The Credit Union donated \$1,000 to The Jared Box Project, which is a nonprofit organization to put smiles on the faces of children in local healthcare facilities. The project was started in State College, PA and has spread to all 50 states. Over one million Jared Boxes have been made. Visit www.thejaredbox.org to see how you can get involved.

Pictured, from left, are Cheryl Barr, Penn State Federal CEO and Cindy Kolarik, Executive Director of The Jared Box Project.