



449 Eisenhower Blvd.  
Harrisburg, PA 17111  
www.belco.org

# *The Pathway*



**2018 YEAR IN REVIEW**

“We believe in every person, every dream, every time.” This simple, yet all-encompassing statement guides and sets direction for how we treat members and employees. In 2018, we undertook deliberate planning for a Belco brand that would differentiate us to our members and in the communities that we serve. We deployed the new brand vision that focuses on the acronym “BELIEVE” in mid-2018. One obvious indicator of this new brand vision is our greeting. You should have recently heard “Thank you for believing in Belco” when interacting with us in branches, over the phone and in our communications by email and mail. This is so much more than a greeting. You will begin to see the difference in every interaction, every product and every service at Belco. We have pledged to believe in people, engage with members, practice active listening, be inspiring by connecting people to solutions, empower members to achieve their financial goals, and to value relationships in a way that is exciting to members and employees.

We believe that our commitment to member service through our brand vision will set Belco apart from all other financial institutions. We expect that as you interact with our Brand Ambassadors in branches, over the phone and online through emails, you will notice the difference and begin to recognize what we are calling “The Belco Life”. You should see, feel and hear that Belco cares and that we are grateful that you have chosen Belco as your financial partner.

Belco is a member-owned organization with a mission of meeting the financial service needs of our members and communities with competitive products and services. Our brand establishes our belief in each other and our members. Our Strategic Plan is focused to fulfilling our mission by concentrating on three key result areas. The Member Experience, the Employee Experience and the Growth of Belco are each equally important in living the Belco Life. It is our goal to be a credit union that is safe, sound and sustainable well into the future.

**MEMBER EXPERIENCE**

Each year, Belco surveys our members to ask them “how are we doing?” The results of the 2018 survey show that our Member Loyalty Index is the highest that it has been in the last five years! We love our members, and they have clearly stated that they love Belco. In mid-2018, 15,000 members were surveyed, and 11% of those members surveyed responded. Both the response rate of 11% and our ratings have exceeded expectations and also exceed peer response rates. We have achieved high performing credit union status, which is no small feat.

The members survey told us many things that will help us continue to improve. Members were also clear about what is important to them:

**Accuracy:** Our employees are rated as above average in communication skills, understanding the issues and accuracy.

**Speed:** Members noted that problems are resolved and needs are addressed quickly by our staff, something that is definitely important to them.

**Affordability:** You want to see us continue to improve by providing the best rates on loans and deposits with reasonable fees.

In 2018, not only did we redefine our brand, we also took a step back to see where we could make improvements on our products and services. Our Sales Center, also known as the call center, was an area that was identified for improvement. We have invested in more agents to assist members on the phone and reduced our reliance on a third party to handle phone calls. In 2018 and early 2019, our branches are being equipped with cash recyclers that reduce cash handling responsibilities for staff, while improving accuracy and speed in teller transactions. We are expanding our ATM networks, investing in improved ATM machines and continuing to plan for branch transformations that will integrate more self-service options. We continue to evaluate the branch system to identify the best locations and the right size facilities. The introduction of a new online member enrollment and loan application platform will be unveiled in 2019.

Belco Mortgage Services expanded its staff in 2018, and continues to evaluate additional products and services to benefit our members’ first mortgage needs. We began offering mortgage seminars and have seen improved member response rates as we focus to first time home buyers and our Spanish speaking members. We want to make home ownership a reality for more members, by offering affordable mortgages and educational tools and resources to make them more confident homebuyers.

Belco Retirement and Investment Services had a strong year, as more and more members extended their relationships with Belco to include investments and retirement planning. Our team of advisors is strong and capable in helping our members plan for their future, evaluate their current investment strategies and navigate life’s changes. An important part of the financial life cycle is planning for the season of retirement and reacting to life’s changes along the way. Belco Retirement and Investment Services is here to help.

**EMPLOYEE EXPERIENCE**

Employees continue to be a primary focus at Belco. We have begun implementation of a formal workforce planning process in 2019. This will enable employees to identify the skills and abilities needed for career advancement. Our training and development plans defined a pathway to new roles with greater responsibility. We continue to support tuition reimbursement for employees to subsidize the costs

associated with the pursuit of higher education. You can look around the credit union to see many examples of individuals who have advanced beyond entry level positions to more advanced roles. Many of our leaders began their careers at Belco in another role that eventually led them to their current positions.

**GROWTH OF BELCO**

Our asset size grew almost \$18 million in 2018 to \$613.6 million. Asset growth was driven largely by 4.87% loan growth. Total credit union membership reached 65,772. Share and certificate growth exceeded \$19.5 million, for a total of \$522.3 million. Belco’s capital position remains strong, growing by \$3.6 million, as we are well capitalized at 10.00%.

The economic environment in Central PA continues to be stable, with pockets of growth around the metropolitan areas in Cumberland and Lancaster counties. Unemployment rates are low, and with an aging demographic, many industries are experiencing workforce shortfalls. In general, our region is enjoying economic stability.

We have a long tenured, dedicated group of volunteers who serve on our Board of Directors, Supervisory Committee and in Emeritus status roles. We are thankful for their commitment and focus to the governance of Belco.

We are grateful for the opportunity to serve our members, member businesses and community partners. Member engagement with the credit union is what drives our sustainability and results. As more products and services are used, the more benefit and value is created for each member. We are here as a financial partner to help you achieve your personal financial success by keeping pace with technologic advancements and making the safety and security of your information a top priority. Our team is here to meet your financial service needs. We look forward to a successful year together.

Thank you for choosing Belco, and thank you for believing in Belco. We believe in you.

Sincerely,



*Amey R. Sgrignoli*  
**Amey R. Sgrignoli**  
President/CEO



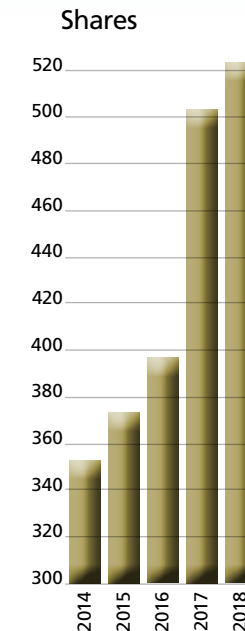
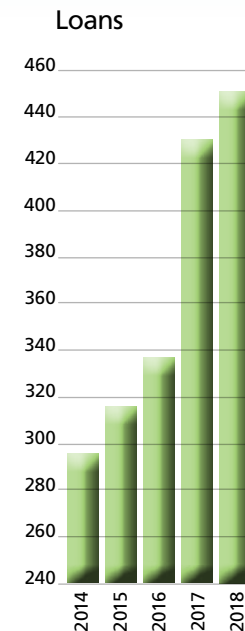
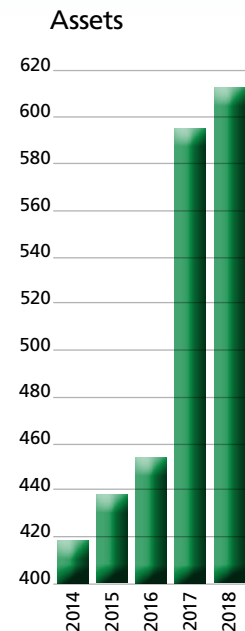
*Stephanie F. Miller*  
**Stephanie F. Miller**  
Board Chair



**BELCO COMMUNITY CREDIT UNION  
STATEMENTS OF FINANCIAL CONDITION, DECEMBER 31, 2018 AND 2017**

	2018	2017
<b>ASSETS</b>		
Cash on Hand	7,531,893	7,688,606
Cash on Deposit	17,845,387	14,146,202
Cash Equivalents	0	0
Trading Securities	0	0
Available for Sale	64,407,600	61,357,003
Held To Maturity Securities	0	0
Deposits In Banks/S&Ls	0	0
Mbrshp Capital at Corp CUs	1,971,760	1,620,260
Paid in Capital at Corp CUs	0	0
All Other Invest in Corp CUs	16,436,564	21,486,791
All Other Investments	0	0
<b>TOTAL INVESTMENTS</b>	<b>82,815,924</b>	<b>84,464,054</b>
<b>LOANS HELD FOR SALE</b>		
Unsecured Credit Card Loans	41,106,283	43,090,136
All Other Unsecured L/C	15,602,577	15,794,778
New Vehicle Loans	72,725,639	57,865,019
Used Vehicle Loans	82,622,954	78,302,530
Loan Participations	0	0
Prem/Disc Participations	0	0
Total 1st Mortgage/Re-Fixed	14,114,349	16,540,166
Mortgage Loans Svc	19,910,844	17,364,414
Prem/Disc Mortg Svc	84,421	105,624
Total 1st Mortgage/Re-Var	398,126	-28,667
Total Other Real Estate Loan	114,195,817	108,044,229
Leases Receivable	0	0
Total All Other Loans/Lines	24,887,926	30,802,946
Total Mbr Bus/Comm Loans	65,598,197	62,411,536
<b>TOTAL LOANS</b>	<b>451,247,134</b>	<b>430,292,712</b>
Less Allow Loan Losses	-3,897,384	-3,907,584
Other Real Estate Owned	722,158	576,223
Repossessed Autos	176,226	234,053
Land & Building	23,504,396	24,261,273
Other Fixed Assets	1,976,202	1,818,185
Lease Improvements	0	16,349
NCUA Share Insurance	5,056,384	5,062,788
Other Assets	26,650,055	31,177,586
<b>TOTAL ASSETS</b>	<b>613,628,375</b>	<b>595,830,447</b>

LIABILITIES & MEMBER EQUITY	2018	2017
Total Borrowings	30,500,000	32,200,000
Accrued Div Payable	0	0
Accounts Payable	3,829,186	7,156,595
<b>TOTAL LIABILITIES</b>	<b>34,329,186</b>	<b>39,356,595</b>
<b>MEMBER EQUITY</b>		
Share Draft	125,707,000	119,412,130
Regular Shares	178,809,051	173,495,994
All Other Shares	217,792,625	209,850,563
<b>TOTAL SHARES</b>	<b>522,308,676</b>	<b>502,758,686</b>
<b>Undivided Earnings</b>	<b>40,089,584</b>	<b>38,235,856</b>
<b>Regular Reserve</b>	<b>16,743,110</b>	<b>17,487,070</b>
<b>Other Reserves</b>	<b>0</b>	<b>0</b>
<b>Loss/Gain Investments</b>	<b>1,528,009</b>	<b>1,440,094</b>
<b>Other Comprehensive Income</b>	<b>-5,909,544</b>	<b>-5,464,665</b>
<b>Net Income (Loss)</b>	<b>4,539,353</b>	<b>2,016,810</b>
<b>TOTAL LIABILITY AND EQUITY</b>	<b>613,628,375</b>	<b>595,830,447</b>



**BELCO COMMUNITY CREDIT UNION  
STATEMENTS OF INCOME, DECEMBER 31, 2018 AND 2017**

	2018	2017
<b>INCOME</b>		
Interest on Loans	22,180,055.85	18,703,945.86
Income on Investments	2,147,513.08	1,548,900.57
<b>TOTAL INTEREST INCOME</b>	<b>24,327,568.93</b>	<b>20,252,846.43</b>
Dividends on Shares & Certificates	0	0
Interest on Deposits	2,450,917.09	1,731,006.87
Interest on Borrowed Money	704,692.69	263,122.46
<b>TOTAL INTEREST EXPENSE</b>	<b>3,155,609.78</b>	<b>1,994,129.33</b>
Provision for Loan Losses	3,136,754.10	2,910,307.56
<b>NET INTEREST INCOME AFTER PROVISION</b>	<b>18,035,205.05</b>	<b>15,348,409.54</b>
<b>Fee Income</b>	<b>5,651,850.97</b>	<b>4,808,374.91</b>
<b>Other Operating Income</b>	<b>4,187,020.57</b>	<b>3,313,027.23</b>
Gain (Loss) Investments	-3,616.88	0.00
Gain (Loss) Disposition Asset	-337,902.51	-95,114.97
Other Non-Operating Income	1,303,857.14	950,805.59
<b>TOTAL NON-OPERATING INCOME</b>	<b>962,337.75</b>	<b>855,690.62</b>
<b>EXPENSE</b>		
Employee Compensation & Benefits	11,768,968.45	10,167,364.18
Travel & Conference Expense	278,888.66	314,786.41
Office Occupancy Expense	2,106,984.59	1,836,278.72
Office Operations Expense	2,212,029.18	2,632,469.34
Educational & Promotions	1,278,075.56	1,469,950.40
Loan Servicing Expense	2,510,730.75	2,131,587.31
Professional & Outside Services	2,995,219.92	2,728,086.93
Member Insurance	0.00	0.00
Operating Fees (Examination)	133,120.05	100,787.02
Miscellaneous Operating Expenses	1,013,043.70	927,382.23
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>24,297,060.86</b>	<b>22,308,692.54</b>
<b>NET INCOME (LOSS)</b>	<b>4,539,353.48</b>	<b>2,016,809.76</b>

Belco Community Credit Union would like to thank the dedicated team of volunteer officials on our Board of Directors and Supervisory Committee for their tireless commitment to making our credit union the best it can be.

In 2018, these individuals supported our many efforts, both internally and externally, to grow the credit union and position us as a service-focused financial institution. Each also played a key role in several endeavors to enhance member service, including the initiative to better define the Belco brand, as well as an application processing system that, once implemented, will result in a more convenient, seamless loan application and account opening process.

While focusing on our Mission – We are a locally based, not-for-profit credit union dedicated to meeting the financial service needs of our members and communities with competitive products and services – they remain committed to our Brand Vision – We believe in every person, every dream, every time.

#### BOARD OF DIRECTORS

Stephanie F. Miller, *Chair*  
 Donald B. Person, *Vice Chair*  
 Lavern R. Shearer, *Secretary*  
 Richard P. Myxter, *Asst. Secretary*  
 Beverly A. Lilley, *Treasurer*  
 Terry M. Hessler, *Asst. Treasurer*  
 Jeffrey Cohick, *Director*  
 Doug Graham, *Director*  
 Richard D. Lytle, *Director*  
 Margaret A. Minnich, *Director*  
 William F. O'Donnell, *Director*  
 Calvin C. Smith, *Director Emeritus*

#### SUPERVISORY COMMITTEE

Chris R. Feather, *Chair*  
 Gina M. Bond, *Vice Chair*  
 Nancy Clay, *Secretary*  
 Allen Brewer, *Member*  
 Eric E. Leidigh, *Member*



Congratulations to the past year's recipients of the BelCore Employee Award and the Brand Ambassador Award. In October 2018, we introduced the Brand Ambassador Award, which recognizes an exceptional action that exemplifies one or more of the core elements of living the Belco Life: Believe, Engage, Listen, Inspire, Empower, Value or Excite. We proudly recognize all of these employees for making a difference in the lives of our members and their fellow employees.

#### BELCORE EMPLOYEE AWARD:

##### March 2018

Lexus Smith – *Member Service Center*  
 Jennie Witwer – *Member Service Center*  
 Andrea Greene – *Big Spring Branch*

##### April 2018

Ross Hoover – *Information Services*

##### May 2018

No recipients

##### June 2018

Lauren Hale – *Lending*  
 Lucy Harrington – *N. Hanover Street Branch*  
 Scott Sabolsky – *Information Services*

##### July 2018

Connie Heckert – *Executive*  
 Amey Sgrignoli – *Executive*

##### August 2018

Beki Landon – *Finance*

##### September 2018

Craig Connelly – *Lebanon Branch*  
 Yazmarie Montero – *Lebanon Branch*  
 Kathy Keiser – *Big Spring Branch*

#### BRAND AMBASSADOR AWARD:

##### October 2018

Wendy Abplanalp – *Gettysburg Branch*

##### November 2018

Melissa Runkle – *Hanover Branch*

##### December 2018

Gina Glessner – *Finance*

##### January 2019

Brea Mumma – *Belco Mortgage Services*

##### February 2019

Courtney Whalen – *Member Service Center*

