

GHS

FEDERAL CREDIT UNION



ANNUAL REPORT

MESSAGE FROM THE PRESIDENT/CEO AND BOARD CHAIRMAN

Dear Members,

Over the past year GHS Federal Credit Union worked to build a foundation for growth and expansion for the credit union and our members. Our Front Street – Binghamton and Norwich Branches worked with members to develop stronger relationships by focusing on offering financial wellness options, and focusing on what helps our members. The Court Street – Binghamton branch continues to build its presence in the Binghamton downtown revitalization area, as well as developing broader financial relationships with members who join GHS through lending or website interactions throughout the communities we serve.

The past year settled in to some normalization from the pandemic that impacted our communities, beginning in 2020. Almost three years later our members, businesses and communities are still managing through the effects of COVID-19. Throughout the past few years we have learned that together we are stronger, and we have to provide moments of kindness and grace when things out of our control impact our experiences.

With a focus on strengthening the credit union's foundation, the 2021 financial results were very strong. Credit union assets grew by over \$50 million, and member's equity increased by \$2.3 million to total \$15.5 million. The lending team at GHS helped our members with \$53.7 million in loans, a 51% increase from 2020. Our focus on our community and members has earned GHS Federal Credit Union a 98% member satisfaction rating.

We would like to thank Antonio (Tony) Frontera, a professor of entrepreneurship and marketing in the School of Management at Binghamton University, who retired from the Board in April of 2022. Mr. Frontera dedicated over five years to the success of GHS. His guidance and expertise in the areas of business development and entrepreneurship provided the GHS Board and team with the inspiration to achieve great results during his tenure as a Director.

On behalf of the Board of Directors, Supervisory Committee, and GHS Team, thank you for your continued support, trust and membership. GHS Federal Credit union is a reflection of our membership, and we look forward to continuing to provide you with the products and services that deliver "The Relationship of a Lifetime!"

Sincerely,

Jason Aurelio
Chairperson



Shawn Wolbert
President/CEO



TREASURER'S REPORT

Fiscal Year Ended December 31, 2021

Throughout 2021 GHS Federal Credit Union delivered strong financial performance, outstanding member service, and relevant products to its membership.

The 2021 annual financial results are as follows:

Members' Equity (Excluding Other Comprehensive Income)	2021	2020	Change
	\$16.7 million	\$14.4 million	16%

The impact of the pandemic on members' savings continued to be a positive trend in 2021 with member shares increasing \$47.7 million, or 30%, over the previous year. The increase in shares was the primary contributor to asset growth of \$50.1 million to achieve a balance at 2021 year end of \$224 million.

In 2021 lending increased and GHS was able to assist our members with 2,669 loans in the amount of \$53.7 million. The largest loan growth was experienced in auto and small business loans; which resulted from special loan promotions like: "Cut Your Auto Rate in Half!" and Small Business Administration Paycheck Protection Program loans. This lending activity caused the GHS overall loan portfolio to grow to \$125.9 million, an increase of \$4.8 million, or 4%, over the prior year.

In 2021 the credit union's interest and fee income recovered to near pre-pandemic rates. Total interest income of \$7.0 million, of which \$222.3 thousand was investment income, outperformed 2020 results by 1%. Fee income of \$2.0 million increased 11% over 2020, due primarily to the easing of pandemic restrictions. In 2021 GHS Federal Credit Union also experienced a distribution of capital from the National Credit Union Administration of \$795.1 thousand for an investment that the credit union held in Members United Corporate Federal Credit Union since 2008. Total income for 2021 was \$10.6 million, up 12% over 2020. Operating expenses for 2021 increased by 6% as GHS increased operations, including reopening its Court Street branch and returning to a fully staffed member service model. Total expenses for the credit union, including interest expense on members' shares was \$8.3 million, a 23% decrease over 2020. Both the increase in total income and decrease in total expenses led GHS to a net income of \$2.3 million and a Return on Assets (ROA) of 1.23%.

The Board of Directors and the management continue to commit to superior member service, sound judgment, and fiscal responsibility to ensure that GHS Federal Credit Union continues to operate with financial strength and stability.

Respectfully submitted,
Brandon Sunderlin, CPA
Treasurer

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee serves as a group of volunteer representatives of the GHS Federal Credit Union membership. The committee members bring a variety of professional experience to aid with the performance of various duties and reviews. The committee meets regularly with senior management and external auditors and examiners to ensure that controls are in place to protect members' assets. The GHS Federal Credit Union Supervisory Committee currently consists of: Nicholas Spencer, Chairperson; B. Ethan Cook, Co-Chairperson; Kiana Jennings, Christopher Lake, and Brandon Sunderlin, CPA, Board Member / Supervisory Committee Liaison.

GHS Federal Credit Union continues to maintain viable and sound operations based upon the results of annual National Credit Union Administration examinations and external audits, along with the Committee's own observations and analysis. The success of the credit union is a direct result of the sincere hard work and dedication of our volunteers, staff members, and management.

Respectfully submitted,

Brandon Sunderlin, CPA

GHS Board Member / Supervisory Committee Liaison

OUT IN OUR COMMUNITY



STATEMENT OF CONDITION

ASSETS	2021	2020
Cash and Cash Equivalents	\$62,571,535	\$48,003,653
Certificates of Deposits	6,218,138	1,992,413
Investment Securities, Available for Sale	15,747,033	724
Investment Securities Held to Maturity	10,243,642	0
FHLB Stock	65,300	69,700
Loans to Members, Net	124,088,516	118,955,435
Accrued Interest Receivable	447,980	443,278
National Credit Union Share Insurance Fund Deposit	1,662,164	1,529,385
Premises and Equipment, Net	2,409,919	2,444,314
Prepaid Expenses and Other Assets	560,497	458,390
TOTAL ASSETS	\$224,014,724	\$173,897,292

LIABILITIES	2021	2020
Members' Shares	\$207,682,865	\$159,995,480
Accrued Expenses and Other Liabilities	863,775	1,170,126
TOTAL LIABILITIES	\$208,546,640	\$161,165,606

MEMBERS' EQUITY	2021	2020
Members' Equity, Substantially Restricted	\$15,468,084	12,731,686
TOTAL MEMBERS' EQUITY	\$15,468,084	\$12,731,686
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$224,014,724	\$173,897,292

STATEMENT OF CONDITION

The Supervisory Committee retained Wojeski & Company CPAs. P.C., a public accounting firm, to conduct an independent audit of GHS Federal Credit Union's financial statements. The audit report is available at the Main Branch for review by membership. The Supervisory Committee also authorizes quarterly audits to review the operations and systems of internal controls of the credit union. The audit programs are prepared in accordance with NCUA guidelines.

**Note: The deposit in the National Credit Union Share Insurance Fund (NCUSIF) is in accordance with NCUA regulations, which require the maintenance of a deposit by each insured credit union in an amount equal to one percent of insured shares.*

STATEMENT OF INCOME

INTEREST INCOME	2021	2020
Interest on Loans to Members	\$6,822,767	\$6,813,340
Interest on Investments	222,313	151,195
TOTAL INTEREST INCOME	\$7,045,080	\$6,964,535

INTEREST EXPENSE	2021	2020
Dividends on Members' Shares	423,868	686,984
TOTAL INTEREST EXPENSE	\$423,868	\$686,984
NET INTEREST INCOME	\$6,621,212	\$6,277,551
Provisions for Loan Losses	630,500	2,705,700
NET INTEREST INCOME AFTER PROVISIONS FOR LOAN LOSSES	\$5,990,712	\$3,571,851
NON-INTEREST INCOME	\$2,730,886	\$2,260,372

NON-INTEREST EXPENSE	2021	2020
Compensation and Benefits	2,639,256	\$2,496,873
Office and Occupancy	1,743,875	1,683,621
Advertising and Promotion	306,908	314,216
Depreciation and Amortization	147,389	131,369
Other Expenses	2,421,092	2,240,963
TOTAL NON-INTEREST EXPENSE	\$7,258,520	\$6,867,042
Members Capital Share Deposit Recovery	795,102	0
NET INCOME	\$2,258,180	\$(1,034,819)

In **2021**, GHS Federal Credit Union delivered
THE RELATIONSHIP OF A LIFETIME to

17,980 MEMBERS

FINANCIAL WELLNESS IN OUR COMMUNITY



GHS Federal Credit Union maintains a commitment to serving our communities and supporting the people within them. As we reflect on 2021 and seek ways to improve ourselves and how we reach those who need our services, we adopt a larger goal to achieve in 2022 and beyond - serving the underserved and underbanked.

Financial literacy and overall wellness go hand-in-hand. While some may be so fortunate as to have had education from family, teachers and/or life experiences on how to manage money, set up accounts and keep a budget, there are equally as many community members who are in need of guidance.

GHS Federal Credit Union has made it our mission starting in 2022 to not only provide financial wellness and literacy aid, but to reach out and offer it to those in need. The underbanked community faces many barriers in accessing financial services, and even more barriers when searching for guidance. GHS has begun to reach out to resource agencies, such as the Crime Victims Assistance Center, Mothers and Babies and the YWCA, to offer financial training to staff that directly meet with those in need, as well as offer our services, one on one, directly to those in need both in person or via ZOOM video conferencing.

Systemic financial illiteracy can be stopped, and GHS FCU has made it a priority to raise awareness and reach out directly to those in need. Furthermore, we are developing products specifically designed to get community members back on their feet and establish a stronger financial foundation.

We are proud to serve our almost 18,000 members. Each year we grow in membership we learn more about what our community needs, and we are prepared and eager to adapt and adopt changes to better serve each of you. The stronger our community is, the stronger GHS Federal Credit Union becomes, and we are honored to be a part of the great counties of Broome, Chenango and Tioga.

**Follow us on Facebook and Instagram
for weekly financial wellness information.**



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■ FEDERAL CREDIT UNION ■
THE RELATIONSHIP OF A LIFETIME™

BOARD OF DIRECTORS

Jason Aurelio, Chairperson
Leonard Lindenmuth, DHA, Vice-Chairperson
Brandon Sunderlin, CPA, Treasurer
Nathan VanWhy, Esq., Secretary
Scott Cohen, MD
Ben Giordano
Julie Chambers

SUPERVISORY COMMITTEE

Nicholas Spencer, Chairperson
B. Ethan Cook, Co-Chairperson
Kiana Jennings
Christopher Lake
Brandon Sunderlin, CPA, Board / Supervisory Committee Liaison

EXECUTIVE MANAGEMENT

Shawn Wolbert, President/CEO
Paris Aranguiz, Vice President of Finance
James Warneck, Vice President of Operations

SENIOR MANAGEMENT

Marissa Sweeney, Director of Marketing
Maire Lowery, Business Development Manager
Amanda Sopris, Human Resource Manager



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