

GHS

■ FEDERAL CREDIT UNION ■



2022

ANNUAL REPORT

MESSAGE FROM THE PRESIDENT/CEO AND BOARD CHAIRMAN

Dear Members,

This past year GHS Federal Credit Union has been a part of remarkable growth. During the year we assisted our members with loans that fulfilled their dreams of new homes, autos, and other essentials; which grew our loan portfolio to a new high of \$155.6 million.

Throughout 2022 we worked on the merger of Norwich Telops Federal Credit Union into GHS Federal Credit Union. The merger was successfully completed on December 20, 2022. At the date of merger 1,127 new members became a part of the GHS family. This increased our member share balances to \$207.7 million. We appreciate having this new membership and the service perspectives they have shared with us.

The launch of our new website provides members with an on-line branch experience. Our on-line and mobile delivery channels provide easy access to your accounts and make loan applications, bill payments and contacting the GHS Team easier. Post-pandemic we understood how important virtual financial service delivery has become, and we made it a priority to ensure that the technology you interact with is state of the art, while protecting your financial transactions and data. Through our website new members can "Say YES to GHS", and we hope you refer your friends and family to visit www.GHSFCU.com.

We continue to strengthen the foundation that provides our members the "Relationship of a Lifetime." Over the past year, we increased our involvement in the communities we serve, and now are actively involved with over 30 organizations in Broome, Chenango and Tioga counties. Our focus on our community and members has earned GHS Federal Credit Union a 98% member satisfaction rating.

On behalf of the Board of Directors, Supervisory Committee, and GHS Team, thank you for your membership, continued support, and trust!

Sincerely,

Jason Aurelio
Chairperson

Shawn Wolbert
President/CEO



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 consists of: Nicholas Spencer, Chairperson; B. Ethan Cook, Co-Chairperson; Christopher Lake, Jared Cornell, 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 (NCUA) 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

NORWICH TELOPS FEDERAL CREDIT UNION MERGER

In 2022, GHS Federal Credit Union (GHS) merged with Norwich-based credit union, Norwich Telops Federal Credit Union (Norwich Telops FCU). GHS Federal Credit Union was honored to have been approached by the staff and board as they searched for a local credit union with similar values to absorb theirs and take care of their loyal membership. The GHS team and small but mighty team at Norwich Telops FCU worked hard to make the merger seamless for members, and we proudly completed the merge on December 20, 2022.

Beginning in 2021, Norwich Telops FCU began searching for a locally operated credit union to serve its membership of almost 1,400. The decision to consider a merger was decided by the staff and board of directors for Norwich Telops FCU after significant changes to compliance and regulatory requirements were set forth for the 2023 year by the financial service industry. These new regulations would pose many challenges to the credit union, making it difficult for the staff to operate and for members to receive the services they need.

Norwich Telops FCU provided unique and personalized service to their membership for many years – some of which have been lifetime members of the credit union. With their members in mind, it was a top priority that Norwich Telops FCU select a credit union that shared the same values and quality of member service to merge into in order to preserve and continue serving their membership.

Our mission at GHS FCU is to provide 'The Relationship of a Lifetime' through accessible products and personal service of our members. Over the last few years, we have grown to serve over 19,000 members servicing areas of Broome, Chenango and Tioga Counties. Though our membership has grown, we take pride in our ability to continue providing personalized products and individualized services. It is because of our dedication to our members and personal experience that Norwich Telops FCU selected GHS FCU to merge into, and we proudly welcome our new members.

The merge of Norwich Telops FCU into GHS FCU officially took place on December 20, 2022. Norwich Telops FCU, located at 11 East Park Place, Norwich, NY 13815, closed its doors at 3:15pm on the this day, and their members are now members of GHS, specifically finding our 35 East Main Street, Norwich, NY branch to be the most convenient, as it is located walking distance from the Norwich Telops FCU branch. The newly merged members from Norwich Telops FCU gained access to ATMs, GHS Online/Mobile Banking, expanded loan options, and more that were not offered that Norwich Telops FCU.

TREASURER'S REPORT

Fiscal Year Ended December 31, 2022

Throughout 2022 GHS Federal Credit Union delivered strong financial performance, outstanding member service, and relevant products to its membership.

The 2022 annual financial results are as follows:

Members' Equity (Excluding Other Comprehensive Income)	2022	2021	Change
	\$19.0 million	\$16.7 million	13.8%

The members of GHS Federal Credit Union took advantage of low interest rates in 2022; which lead to an increase in loan balances of \$29.7 million dollars. GHS was able to assist our members with 3,876 loans in the amount of \$72.8 million. The largest loan growth was experienced in auto loans. This lending activity caused the GHS overall loan portfolio to grow to \$155.6 million, an increase of 23.6%, over the prior year.

Total interest income of \$8.4 million, of which \$846.8 thousand was investment income, outperformed 2021 results by 19.1%. Fee income of \$2.2 million increased 12.8% over 2021, due primarily to continued easing of pandemic restrictions. In 2022 GHS Federal Credit Union also experienced a distribution of capital from the National Credit Union Administration of \$196.0 thousand for an investment that the credit union held in Members United Corporate Federal Credit Union since 2008.

Total income for 2022 was \$11.6 million, up 9.7% over 2021. Operating expenses for 2022 increased by 18.3% as GHS increased operations to meet the needs of members, and service a loan volume that exceeded past historical benchmarks. Total expenses for the credit union, including interest expense on members' shares was \$8.5 million, a 16.0% decrease over 2021. The increase in total income led GHS to a net income of \$1.7 million and a Return on Assets (ROA) of 0.85% and a Net Worth of 8.6%.

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

Respectfully submitted,
Brandon Sunderlin, CPA
Treasurer

FINANCIAL LITERACY

Rising costs for utilities, food, and transportation have caused a lot of stress in some budgets lately. Things are costing a little bit more this year heading into summer than they did last year, and money plans have required a lot of adjustments.



GHS IS HERE TO HELP.

In 2022, we had about one third of our staff members at all our branches become Certified Credit Union Financial Counselors. This is a program offered by CUNA that our staff dedicated over five months of studying. We gained knowledge on handling a wide array of financial situations and we're ready to serve our community.

Certified Financial Counseling is part of our GHS mission to bring the credit union movement forward and offer accessible banking and financial wellness to our neighborhoods. There really is no set starting point to meet with a financial counselor! This is open and free to all members, no matter your age. Don't be worried if you're just starting out and everything is jumbled, we can work it out together. One of the plans we offer is creating a Money Plan. We're also offering help with debt management and pay-off, spending plans, savings programs, estate planning, and helping members who are in financial crisis and need help today to get everything paid on time. The great benefit of financial counseling for our credit union members is that it's really customized to your exact situation. When you first meet with your counselor you will share your income amount, expenses, any debts and goals you have for your money and we'll help lay out a plan. Someone who is retirement age and ready to travel will have different needs than a young couple bringing their newborn baby home from the hospital. Having your whole money plan in one place in understandable language and in a simple format will really make a difference!



If you're interested in one-on-one or family financial counseling, reach out to our Financial Wellness Coordinator, Lisa Young
EMAIL: lyoung@ghsfcu.com
PHONE: 607-472-2876

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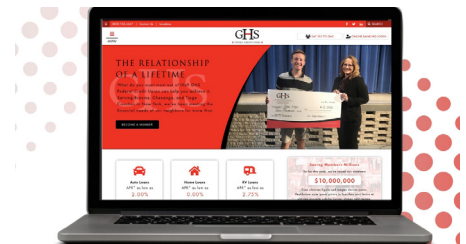
tiktok.com/@ghsfederalcreditunion

THE NEW WWW.GHSFCU.COM

In 2022, GHS held a strategic planning meeting where our staff leadership and board members got together to discuss our top objectives for growing and bettering the credit union. Our mission was to set forth a plan to enact over the next 3 years. One goal set by the group was to develop a new, accessible website for the credit union. We are proud to announce that our new www.ghsfcu.com launched on December 24th, 2022.

GHS sought out credit union specific web design experts and received numerous proposals from top companies across the country. After much deliberation, we selected Omnicommander to help us complete this important project.

Omnicommander is not only a leading web developer and marketing guru, but their mission to design fully ADA accessible websites meets our mission of providing premier financial services to all, no matter their circumstances. The new site was built to act as a virtual branch for our members, including a live chat option with real people, online loan application, custom financial calculators, and so much more. Check it out!



TREASURER'S REPORT

ASSETS	2022	2021
Cash and Cash Equivalents	\$13,958,703	\$62,571,535
Certificates of Deposits	11,593,819	6,218,138
Investment Securities, Available for Sale	33,152,576	15,747,033
Investment Securities Held to Maturity	3,420,192	10,243,642
FHLB Stock	65,300	65,300
Loans to Members, Net	153,980,020	124,088,516
Accrued Interest Receivable	591,582	447,980
National Credit Union Share Insurance Fund Deposit	1,792,522	1,662,164
Premises and Equipment, Net	2,692,122	2,409,919
Prepaid Expenses and Other Assets	1,432,736	560,497
TOTAL ASSETS	\$222,679,572	\$224,014,724

LIABILITIES	2022	2021
Members' Shares	\$180,345,698	\$207,682,865
Accrued Expenses and Other Liabilities	26,869,343	863,775
TOTAL LIABILITIES	\$207,215,041	\$208,546,640

MEMBERS' EQUITY	2022	2021
Members' Equity, Substantially Restricted	\$15,464,531	\$15,468,084
TOTAL MEMBERS' EQUITY	\$15,464,531	\$15,468,084
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$222,679,572	\$224,014,724

STATEMENT OF AUDITING PROCEDURES

The Supervisory Committee retained The Bonadio Group, 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	2022	2021
Interest on Loans to Members	\$7,544,329	\$6,822,767
Interest on Investments	846,811	222,313
TOTAL INTEREST INCOME	\$8,391,140	\$7,045,080

INTEREST EXPENSE	2022	2021
Dividends on Members' Shares	484,063	423,868
TOTAL INTEREST EXPENSE	\$484,063	\$423,868
NET INTEREST INCOME	\$7,907,077	\$6,621,212
Provisions for Loan Losses	884,028	630,500
NET INTEREST INCOME AFTER PROVISIONS FOR LOAN LOSSES	\$7,023,049	\$5,990,712
NON-INTEREST INCOME	\$3,013,527	\$2,730,886

NON-INTEREST EXPENSE	2022	2021
Compensation and Benefits	2,871,185	2,639,256
Office and Occupancy	2,214,057	1,743,875
Advertising and Promotion	361,503	306,908
Depreciation and Amortization	165,223	147,389
Other Expenses	2,875,991	2,421,092
TOTAL NON-INTEREST EXPENSE	\$8,487,959	\$7,258,520
Members Capital Share Deposit Recovery	196,297	795,102
NET INCOME	\$1,744,914	\$2,258,180

In 2022, GHS Federal Credit Union grew to provide 'THE RELATIONSHIP OF A LIFETIME' to

19,681 MEMBERS



■ FEDERAL CREDIT UNION ■

THE RELATIONSHIP OF A LIFETIME™
FOR OVER 80 YEARS - AND COUNTING

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
- William Craine

SUPERVISORY COMMITTEE

- Nicholas Spencer, Chairperson
- B. Ethan Cook, Co-Chairperson
- Christopher Lake
- Jared Cornell
- 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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