



ANNUAL REPORT 2020

GHS

■ FEDERAL CREDIT UNION ■
THE RELATIONSHIP OF A LIFETIME

MESSAGE FROM THE PRESIDENT/CEO AND BOARD CHAIRMAN

Dear Members,

Throughout the past year the GHS Board of Directors, Executives, Managers and Team Members continually focused on the needs of members, and the impact COVID-19 has had on them. The pandemic vastly changed our lives in 2020, and continues to provide challenges as we adapt to changing Federal, State of New York, and local guidance and restrictions. We have weathered the pandemic together and will continue to offer our members the relationship of a lifetime, even in these challenging times.

The unprecedented events of the past year have affected our members, community, and GHS Federal Credit Union. We understand that we have an important role to play in supporting you and providing safe and secure financial services. As the pandemic has progressed our members have come to rely more heavily on virtual, online and mobile transaction avenues. Due to the uncertainty of the economy, members are saving more for emergency events and their future. Your trust in GHS Federal Credit Union is evident in the 20% increase in core deposits of \$27 Million in 2020; which increased credit union assets from \$148 Million in 2019 to over \$174 Million, as of December 31, 2020.

We have assisted our members throughout the pandemic and have supported their needs by providing:

- 40 Paycheck Protection Program (PPP) Small Business Loans for \$980,000
- 46 Business Loans for \$526,000
- 116 Home Loans for \$7,250,000
- 1012 Auto Loans for \$17,802,000
- 809 Personal Loans for \$6,366,000

The GHS Federal Credit Union Board of Directors has been committed to the membership and employees of the credit union, despite of the challenges that the pandemic presented. GHS did not lay off any employees or have a mandatory workforce reduction. Although our operations changed due to mandatory restrictions, the GHS Board was committed to continuing to provide service and kept drive-throughs open when other businesses and financial institutions closed. The decrease in income and increased loan delinquency experienced in 2020 due to the pandemic led to a net loss of just over \$1 Million. Even with a net loss on our income statement, the credit union still ended the year with a net worth ratio of 8.28%. Although last year was difficult financially for the credit union and many of our members, we look forward to a much brighter 2021.

We would like to thank Jeanette Tillotson, one of our longstanding Board of Director volunteers, and the current Treasurer, who is retiring from the Board after this year's Annual Meeting. Ms. Tillotson has dedicated eleven years to GHS Federal Credit Union and its members. Her guidance and commitment to the credit union has helped it to become the organization it is today. On behalf of the Board of Directors, management, and employees we wish Ms. Tillotson a long and happy retirement. GHS will continue to build a diverse and inclusive Board of Directors and Supervisory Committee. If any member is interested in applying to be a GHS Director or Supervisory Committee volunteer, please send a letter of interest to Mr. Tony Frontera, GHS Nominating Committee Chairperson.

On behalf of the entire Board of Directors, Supervisory Committee, and GHS Team, thank you for your membership and continued support. We look forward to seeing your smiling faces soon and continuing to provide you with the financial products and services that help you to be successful.

Respectfully submitted,

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 to ensure that controls are in place to protect members' assets. The GHS Supervisory Committee currently consists of Nick Spencer, Chairperson, Ethan Cook, Vice Chairperson, John Hussar, Secretary, and Brandon Sunderlin, Board Member / Supervisory Committee Liaison.

GHS Federal Credit Union continues to maintain a viable and sound operation based upon the findings of our external auditors, 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 each staff member and management.

Respectfully submitted,

Brandon Sunderlin, CPA

GHS Board Member / Supervisory Committee Liaison

HOMETOWN HEROES MORTGAGE PROGRAM

You have given so much to the community.
Now it's our turn to give back to you.

Offering frontline workers \$1,000 and .25% off the life of your loan* when you buy or refinance your home with GHS.



LEARN MORE:

WWW.GHSFCU.COM/HOMETOWNHEROES

Mortgage products are offered by GHS Federal Credit Union and Homeowners Advantage. Full disclosures and terms will be provided during Hometown Heroes Mortgage Program consultations. The summary below is not all-inclusive. Mortgage is restricted to the primary residence (purchase and refinance) located in New York State. Must be credit qualified. GHS Federal Credit Union Membership required with a \$25 minimum shares account deposit and \$1.00 membership fee. GHS FCU checking account with payroll direct deposit and automatic mortgage payment required. *The \$1,000 deposit will be deposited into your GHS account once all above criteria is met. Proof of employment in healthcare, education, law enforcement, fire and rescue, U.S. Military or veteran status to be eligible for the Hometown Heroes Mortgage Program.



GHS

FEDERAL CREDIT UNION

TREASURER'S REPORT

Fiscal Year Ended December 31, 2020

Though 2020 was a challenging year for GHS Federal Credit Union, as well as most financial institutions, GHS laid the groundwork to emerge strong in 2021, and continue to provide outstanding member service and relevant products to its membership.

The annual financial results are as follows:

Members' Equity (Excluding Other Comprehensive Income)	2020	2019	Change
	\$14.4 million	\$15.4 million	-6.7%

With the COVID-19 pandemic shutting down the economy in March of 2020, most GHS members increased their savings and decreased their borrowing. As a result, the gross loan portfolio decreased by \$7.1 million or 5.5% in 2020. The bright spot in lending in 2020 was that GHS was able to help local business owners by participating in the federal government Paycheck Protection Program, and originating \$980,000 of loans to keep their business operating. Along with these business sustaining loans came 27 new membership deposit accounts. Certificate of deposit balances decreased by \$4.5 million or 69.2% in 2020. As the economy ground to a halt and loan demand dried up, most banks and credit unions were able to get funding from sources at minimal cost. This reduced certificate of deposit inventories and pushed market yields to all-time lows. As a result, GHS kept funds from maturing investments and loans in its overnight money market account earning market interest and reducing interest income.

In 2020, the combination of a decrease in the gross loan portfolio of \$7.1 million, and the increase in the allowance for loan loss of \$941,000, caused the net loan portfolio to decrease from \$127.0 million in 2019 to \$119.0 million in 2020, a decrease of \$8.0 million or 6.3%.

In 2020, core deposits increased by \$27.1 million or 20.4%. Due to the uncertainty of the future impact of the pandemic and government stimulus funds deposits, members brought more of their savings to GHS. The economic uncertainty also had an impact on the credit card portfolio, which decreased by \$1.1 million. Loan late charges and overdraft fees decreased significantly as members managed their funds more efficiently. The funding for the allowance for loan loss was increased to cover actual and future loan losses. All of these factors together resulted in a net loss of \$1.0 million. Management took steps to contain losses in 2020 and start out 2021 on a strong footing.

Though the 2020 GHS strategic plan called for the Credit Union to maintain its asset size, total assets increased \$26.1 million or 17.7%. GHS appreciates that members trust and value GHS's services enough to deposit more of their personal deposits in GHS. The Board of Directors and 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,
Jeanette O. Tillotson
Treasurer

SUPPORTING SMALL BUSINESSES WITH THE SBA PPP LOAN



Over the past year, the COVID-19 pandemic has undoubtedly affected the lives and the financial wellness of our members and community. To do our part in providing relief during these difficult times, GHS Federal Credit Union has worked diligently to offer our community partners the Small Business Administration Paycheck Protection Program (SBA PPP) loan.

We are proud to announce that to date, GHS has been able to commit over 2.8 million dollars to 105 local, small businesses in our communities through the SBA PPP.

Within the year 2020, GHS committed \$980,000 to 40 small businesses with a collective 160 employees. Since the beginning of 2021, 65 additional small businesses with a collective 240 local employees have been granted a combined total of over \$1,820,000 in funding through the program. *Numbers as of 4/21/2021

The SBA Paycheck Protection Program (SBA PPP) is a grant funded loan that aids small businesses in establishing, and maintaining, financial stability during the pandemic. The loan provides businesses the financial support to keep their staff employed and pay for other business related costs during these challenging times. The current round of the Paycheck Protection Program (PPP) has been successfully reaching our community's smaller shops and companies, with 94% of all loans going to businesses with 20 or fewer employees.

As a member-owned federal credit union, it is our mission to provide assistance to our members and local businesses no matter the circumstances - and especially in times of need. GHS's success is directly impacted by the success of our membership, and our communities only thrive when the small businesses within it thrive. We are honored to be a part of such a strong community and to partner with the amazing small businesses that make up Broome, Chenango, and Tioga Counties.

To learn more about the Small Business Administration Paycheck Protection Program (SBA PPP) loan, visit our website www.GHSFCU.com/sbapp.

As always, GHS Federal Credit Union is here for you. Our friendly, local staff are dedicated to providing you with the financial support you need, no matter the circumstances. Explore our range of products and services at www.GHSFCU.com, and speak with our staff by visiting one of our branches, or calling 800-732-4447.

OUT IN OUR COMMUNITY



STATEMENT OF CONDITION

ASSETS	2020	2019
Cash and Cash Equivalents	\$48,003,653	\$9,328,583
Certificates of Deposits	1,992,413	6,460,000
Investment Securities, Available for Sale	724	2,791
FHLB Stock	69,700	70,600
Loans to Members, Net	118,955,435	126,982,034
Accrued Interest Receivable	443,278	382,358
National Credit Union Share Insurance Fund Deposit	1,529,385	1,297,583
Premises and Equipment, Net	2,444,314	2,383,881
Prepaid Expenses and Other Assets	458,390	873,906
TOTAL ASSETS	\$ 173,897,292	\$147,781,736

LIABILITIES	2020	2019
Members' Shares	\$159,995,480	\$132,937,120
Accrued Expenses and Other Liabilities	1,170,126	773,422
TOTAL LIABILITIES	\$161,165,606	\$133,710,542

MEMBERS' EQUITY	2020	2019
Members' Equity, Substantially Restricted	12,731,686	14,071,194
TOTAL MEMBERS' EQUITY	\$12,731,686	\$14,071,194
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$173,897,292	\$147,781,736

STATEMENT OF AUDITING PROCEDURES

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 its insured shares.*

STATEMENT OF INCOME

INTEREST INCOME	2020	2019
Interest on Loans to Members	6,813,340	6,902,831
Interest on Investments	151,195	307,406
TOTAL INTEREST INCOME	\$6,964,535	\$7,210,237

INTEREST EXPENSE	2020	2019
Dividends on Members' Shares	\$686,984	\$559,655
TOTAL INTEREST EXPENSE	\$686,984	\$559,655
NET INTEREST INCOME	\$6,277,551	\$6,650,582
Provisions for Loan Losses	2,705,700	1,618,350
NET INTEREST INCOME AFTER PROVISIONS FOR LOAN LOSSES	\$3,571,851	\$5,032,232
NON-INTEREST INCOME	\$2,260,372	\$2,557,307

NON-INTEREST EXPENSE	2020	2019
Compensation and Benefits	\$2,496,873	\$2,726,492
Office and Occupancy	1,683,621	1,724,389
Advertising and Promotion	314,216	296,032
Depreciation and Amortization	131,369	128,988
Other	2,240,963	2,199,137
TOTAL NON-INTEREST EXPENSE	\$6,867,042	\$7,075,038
NET INCOME	\$(1,034,819)	\$514,501

What's Kasasa?

It's like
WE PAY YOU
to buy things

2.00% CASH BACK
On everyday debit card purchases*



Additional information:
Membership restrictions may apply.
Account approval, activation, qualifications, limits, restrictions, enrollments, log-ins and other requirements apply.
\$25 minimum deposit is required to open the account.
Monthly Direct Deposit/ACH payment, enrollment in eStatements, and at least 12 debit card transactions posted and settled are qualifications of the account.
Enrollment in electronic services (e.g. online banking, eStatements) and log-ins may be required to meet some of the account's qualifications.
Limit of 1 transaction per social security number.
There are no recurring monthly maintenance charges or fees to open or close this account.
*Additional information and rewards are based on all account qualifications being met during each cycle period.
Contact one of our credit union service representatives for additional information, account details, restrictions, reward calculations, processing limitations, cycle dates and enrollment instructions.
Federally insured by NCUA. Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government National Credit Union Administration, a US Government Agency.
TradeDocket.

Kasasa and Kasasa Cash Back are trademarks of Kasasa, LLC, registered in the U.S.A.

And it's easy to earn cash back...
Enrollments must be in place and all of the following transactions and activities must post and settle to you Kasasa Cash Back account during each monthly qualification cycle:

- Be enrolled in and log into online banking
- Be enrolled in and agree to receive eStatements
- At least 12 debit card transactions
- At least 1 direct deposit or ACH payment

Ask for **free K A S A S A** checking

GHS

FEDERAL CREDIT UNION



■ FEDERAL CREDIT UNION ■
THE RELATIONSHIP OF A LIFETIME™

BOARD OF DIRECTORS

Jason Aurelio, Chair
Leonard Lindenmuth, Vice Chair
Jeanette Tillotson, Treasurer
Antonio (Tony) Frontera, Secretary
Scott Cohen, MD
Julie Chambers
Ben Giordano
Brandon Sunderlin, CPA
Nathan VanWhy, Esq

EXECUTIVE MANAGEMENT

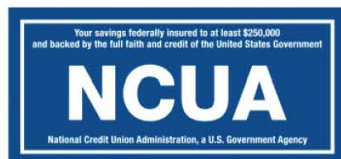
Shawn Wolbert, President/CEO
James Warneck, Vice President of Operations

SENIOR MANAGEMENT

Marissa Sweeney, Senior Marketing Professional

SUPERVISORY COMMITTEE

Nicholas Spencer, GHS Supervisory Committee Chairperson
B. Ethan Cook, GHS Supervisory Co-Chairperson
John Hussar, Supervisory Committee Secretary
Brandon Sunderlin, CPA, Board / Supervisory Committee Liaison



FOLLOW US!

 facebook.com/GHSFCU

 instagram.com/GHSFCU