



GUTHRIE
COMMUNITY
CREDIT UNION

2020 ANNUAL REPORT



42ND

ANNUAL MEETING

**MAIN OFFICE – 104 N. ELMER AVE.
SAYRE P.A. 18840**

May 19, 2021

Call meeting to order at 5:00 p.m.

Introductions – Board of Directors, Supervisory Committee
and Management Team

Secretary's report

Highlights and overviews of other reports

Questions from the floor

Approval of all reports from the floor

Nominating Committee report

Meeting adjourned



2019 ANNUAL MEETING MINUTES

The Guthrie Federal Credit Union's 41st Annual Meeting was held **September 23, 2020** at the Guthrie Federal Credit Union located at 104 N. Elmer Ave., Sayre, PA.

John Savelli, President/CEO called the meeting to order at 5:00 p.m. and welcomed all members present. Mr. Savelli acknowledged Heather Vail as acting Secretary and noted there was a quorum present. Mr. Savelli proceeded to introduce the Board of Directors, Supervisory Committee, and members of the management team.

Mr. Savelli then referred to the **Secretary's Report** from March 23, 2019. With there being no changes, Mr. Savelli asked for a motion to dispense with the reading of the prior year's minutes. Roberta Sabitus-Place made a motion to dispense with the reading of those minutes and accept them as presented. The motion was seconded by Secretary Vail and carried unanimously.

Mr. Savelli provided overviews of the **Chairman's and President's Report** before reflecting on 2019 as another successful year and commenting on the credit union's 2019 Strategic Plan. Mr. Savelli summarized the credit union's commitment to the community and staff involvement at various events.

Mr. Savelli discussed the new GFCU Scholarship Endowment Fund that was established with the Community Foundation for the Twin Tiers. Mr. Savelli reflected on new products and services slated for the upcoming 2020 year-end.

Mr. Savelli then referred members to the **Treasurer's Report** and corresponding Balance Sheet and Income Statements and noted that the credit union's financial strength

continued through 2019, as evidenced by strong equity gains of \$957,940 which were attributed to an increase in net income. The credit union maintained a **"Well Capitalized"** position as defined by NCUA. Assets ended the year at \$80.0 million, representing a \$6.3 million increase over prior year's assets. Mr. Savelli thanked Treasurer Bernie Smith and finance committee members Heather Vail and Arthur Field for their service.

Mr. Savelli then referred members to the **Supervisory Committee Report** and summarized the committee's responsibilities and duties. Mr. Savelli noted the Annual Audit conducted by Wojeski & Co., LLP, CPAs showed the credit union in good standing and in agreement with NCUA guidelines. Wojeski also completed the credit union's Bank Secrecy Act Audit and Automatic Clearing House Audit. The external audit found the credit union in compliance with all NCUA rules and regulations.

Mr. Savelli concluded by thanking the board, volunteers, members and staff for their continued support. With no questions from the floor, Mr. Savelli asked for a motion to accept all presented reports. A motion was made by Teresa Bustin to do so and was seconded by Tim Hickey. The motion carried unanimously.

Mr. Savelli then referred to the **Nominating Committee Report** and noted the committee members and slate of directors up for reelection. Mr. Savelli then asked Secretary Vail to cast one ballot for the slate of directors and she so moved. Mr. Savelli adjourned the meeting adjourned at 5:30 p.m.

John Simonds, Chairman of the Board

PRESIDENT'S REPORT

Welcome to Guthrie Community Credit Union!

I am happy to report that our membership base continues to grow, and the credit union continues to operate in a safe and secure manner as evidenced by our “**Well Capitalized**” rating as defined by the National Credit Union Administration guidelines. The safety and soundness of GCCU continues to be steadfast, fortified by a strong capital position and best business practices.

The credit union's financial position continued to improve as assets have grown from \$80.1 million as of December of 2019 to \$95.2 million as of December 31, 2020. Deposits have reached \$84.9 million as we now serve over **7,464 members** who rely on our credit union for safety and soundness.

Guthrie Community Credit Union did not slow down because of COVID-19. Our dedicated staff continued to work hard on the front lines. We added several new products and services as noted below:

- **Electronic Signature**—our electronic signature solution will save you time and provide you the convenience of signing any of our loan and deposit documents with several different mobile and electronic options. Out of town on vacation? Not a problem with this new on-the go digital solution. Our electronic signature solution is safe and secure and will improve turnaround times for our service offerings.

- **On-Line Mortgage Center**—This new service in coordination with our new partner Credit Union Mortgage Association, Inc., will reduce paperwork and offer hassle-free on-line mortgage applications. We have revolutionized the process to make it quick, easy and more convenient for our members. Just a few questions and you receive an on-line decision in minutes.
- **ATM Upgrades**—during 2020 we introduced new ATM's at the Sayre Drive-up and walk-up locations. We also upgraded the ATM's at the Troy drive-up and the Sayre Guthrie Pharmacy locations. These new NCR ATM's feature a modern aesthetic look, coupled with the latest touch, swipe and gesture capabilities. These ATMs are designed for ease-of-use, speed, reliability, security, and deliver an exceptional consumer experience.

We know that unprecedented times like this can make for uncertainty, which is why I want to make sure all of our members know that we are here to support you. We're working together to achieve the best possible outcome and are constantly monitoring developments regarding the pandemic. We are committed to providing the best possible service while helping our employees and you stay safe. Our goal is to continue to provide you uninterrupted service.

We wish you a safe and enjoyable summer!

Sincerely,

John Savelli, President & CEO

TREASURER'S REPORT

Fiscal Year-End 2020

2020 was another successful year for the Guthrie Federal Credit Union. The Credit Union continues to provide positive financial support to the membership while expanding the quality of its services and adding new services for the membership to utilize. From a financial perspective, the overall results were positive with an increase in assets and capital during the year.

Assets ended the year at \$95.2 million, which represents a \$15.2 million increase over prior year's assets. Loans to members totaled \$43.6 million, which represents a loan / share ratio of 51.5%. We maintained our credit quality with a delinquency ratio of 0.73% at year-end, which is in line with our peer group.

The strong equity gains of \$688,473 are mainly attributable to an increase in earnings. Interest income on loans and investments decreased (7.73%) as the Federal Reserve decreased the Federal Funds Rate by 150 basis points during 2020. Dividends to members increased by \$42,388 and is attributed to competitive rate offerings on deposits coupled with the increase in shares during the year.

Fee and other income increased by \$12,166, or 1.11% as we held our fees in place throughout 2020.

Total operating expenses increased by \$58,288 or 2.13% over the prior year. Compensation & Benefits increased \$50,147 due to the addition of a new management position and increased benefits costs. Travel and Conference expenses decreased by (\$15,843) and is attributed to the inability to travel and attend training

sessions due to COVID-19 pandemic. Office Occupancy and Operations expenses decreased (\$7,224) and (\$2,704) respectively and is due to cost saving measures implemented by management. Advertising and promotion costs increased by \$7,279 and were used for marketing promotions to attract new loans and deposits and expenses relating to the rebranding of the credit union. Loans Servicing expenses increased by 13,014 or 12.5% and were attributed to Home Equity Loan Specials offered throughout 2020. Professional and Outside service expenses increased \$18,749 or 3.41% over year-end due to contract and legal service fees relating to new product offerings and services.

The provision for loan loss decreased by (\$73,243) and is attributed to a decrease in member bankruptcy filings and foreclosures related to prior periods.

Members' equity generated a return on assets of 0.73%, which remained above our NCUA peer group of 0.49%. The Credit Union remains "Well-Capitalized" as measured by NCUA with a Net Worth ratio of 10.46% at year-end.

The board of directors and management are committed to sound financial management, fiscal responsibility and superior member service to ensure that the Guthrie Federal Credit Union remains financially sound and secure for the upcoming calendar year and many years to come.

Respectfully submitted,
Bernard L. Smith, Treasurer

BALANCE SHEET

For the Year Ended 12/31/20

| | 12/31/19 | 12/31/20 |
|-----------------------------|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$1,812,335 | \$1,709,540 |
| Loans to members, net | 44,685,038 | 43,590,791 |
| Investment securities | 30,755,649 | 46,949,420 |
| Accrued interest receivable | 179,630 | 171,052 |
| NCUSIF Deposit | 678,904 | 776,878 |
| Property and equipment, net | 1,748,942 | 1,833,837 |
| Prepaid expenses and other | 169,660 | 176,795 |
| Total Assets | \$80,030,157 | \$95,208,313 |

| | | |
|--|---------------------|---------------------|
| Liabilities | | |
| Share & Club Accounts | \$28,866,904 | \$36,311,410 |
| Share Drafts | 10,556,812 | 15,664,590 |
| Money Market | 7,856,998 | 8,603,834 |
| Certificates of Deposit | 23,024,066 | 24,211,842 |
| Accrued expenses and other liabilities | 381,938 | 362,732 |
| Total Liabilities | \$70,686,718 | \$85,154,408 |

| | | |
|--------------------------------------|--------------------|---------------------|
| Equity | | |
| Unrealized Gain (Loss) on Govt. Sec. | (9,712) | 92,389 |
| Regular Reserves | 363,927 | 363,927 |
| Undivided Earnings | 8,989,223 | 9,597,588 |
| Total Members' Equity | \$9,343,438 | \$10,053,905 |

| | | |
|--|---------------------|---------------------|
| Total Liabilities and Members' Equity | \$80,030,157 | \$95,208,313 |
|--|---------------------|---------------------|

INCOME STATEMENT

For the Year Ended 12/31/20

| | 12/31/19 | 12/31/20 |
|-----------------------------------|--------------------|--------------------|
| Interest Income | | |
| Interest on Loans | \$2,558,179 | \$2,481,448 |
| Interest on Investments | 729,485 | 552,016 |
| Total Interest Income | \$3,287,664 | \$3,033,464 |
| Interest Expense | | |
| Dividends | 491,725 | 534,113 |
| Net Interest Income | \$2,795,939 | \$2,499,351 |
| Fees & Other Income | \$1,100,805 | \$1,112,971 |
| Operating Expenses | | |
| Compensation & Benefits | 1,455,976 | 1,506,123 |
| Travel & Conference | 19,504 | 3,661 |
| Office Occupancy | 156,591 | 149,366 |
| Office Operations | 338,113 | 335,409 |
| Advertising and Promotion | 63,181 | 70,461 |
| Loan Servicing | 104,132 | 117,146 |
| Professional & Outside Services | 550,301 | 569,050 |
| NCUA Fees & Other | 53,198 | 48,067 |
| Total Non-Interest Expense | \$2,740,996 | \$2,799,284 |
| Provision for Loan Loss | \$197,807 | \$124,564 |
| Net Income | \$957,940 | \$688,473 |

SUPERVISORY COMMITTEE'S REPORT

Your Supervisory Committee is made up of four volunteer members who independently evaluate the strength and soundness of Guthrie Federal Credit Union's operations. The Committee's oversight included a review of all new policies and procedures, new and closed accounts and overall compliance with NCUA rules and regulations.

The Committee works closely with external auditors, the Board of Directors, the President/CEO, and other management personnel of the Credit Union to ensure the assets are safeguarded by upholding all applicable regulatory policies and procedures. The Committee brings a variety of professional experience to insure conformity to NCUA rules and regulations.

For year-end 2020, the Supervisory Committee continued to retain the services of Wojeski & Co., Certified Public Accountants to perform an independent audit of the Credit Union's financial statements applying Agreed-Upon Procedures. The committee also retained Wojeski & Co., to perform quarterly audits to review operations and systems of internal controls of the credit union. The quarterly audit programs are prepared in accordance with NCUA guidelines. We are pleased to report that the audit reports reflect positive results and found the credit union to be in compliance with financial accounting standards and NCUA rules and regulations.

Based on our review of the report, the Supervisory Committee is satisfied that adequate internal controls exist to protect member accounts and that the

financial statements accurately reflect the positive performance and condition of the credit union. Guthrie 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 latest regulatory NCUA exam at the Credit Union was dated March 31, 2020, which reported an excellent review and rating.

The Supervisory Committee would like to thank the Board of Directors, the management, our President & CEO and the employees of the Guthrie Federal Credit Union. We look forward to another successful 2021.

Respectfully submitted,
Gary Reeves, Chairperson



NOMINATING COMMITTEE REPORT

The Nominating Committee, consisting of Kevin Raupers and Craig Wilhelm is pleased to announce the three nominees for the Board of Directors. Directors are volunteers and serve three-year terms. The nominees are as follows:

John Detrick—Mr. Detrick joined the credit union and became a member in 1986. Mr. Detrick obtained an associate's degree from Mansfield University and has been employed with the Guthrie Healthcare System since 1986. Mr. Detrick currently works in the IT Services area within Guthrie Healthcare. He has been a four-time Board Chairman of Guthrie Federal Credit Union, and he is also currently serving as the head of the GFCU Personnel Committee. Mr. Detrick has served as a volunteer to Guthrie Federal Credit Union in a variety of capacities over the past 22 years. Mr. Detrick has one daughter who is currently attending college with future aspirations of becoming a registered nurse.

Teresa Bustin—Mrs. Bustin has 18 years of prior experience working for the Guthrie Healthcare System in various roles, concluding her time at Guthrie as a Project Coordinator in the Organizational Development Department. Mrs. Bustin returned to school and obtained a B.S.E. in Secondary Social Studies from Mansfield University in 2005. She then earned her master's degree in education with a concentration in 21st century teaching and technology from Wilkes University in 2009. Mrs. Bustin is a social studies teacher at Harlan Rowe Middle School in Athens, PA. She first became a member of GFCU in 1986 and has served as a volunteer

board member and a member of the supervisory committee for several years. Mrs. Bustin resides in Sayre, PA.

Heather Vail—Mrs. Vail worked for 41-years as an RN on the obstetrical unit at Robert Packer Hospital as the Nurse Manager of Labor and Delivery. She is currently employed in the Ithaca Guthrie Clinic as a nurse in the high-risk breast cancer clinic. She earned her Registered Nurse degree from the RPH School of Nursing before becoming certified in obstetrical nursing and perinatal bereavement counseling. She has been a Guthrie Federal Credit Union member for over 40 years. She has been a member of the Board for several years, has held positions on the Supervisory Committee, the Personnel Committee and the Finance Committee, and she has served as the Chairperson of the Board multiple terms. She has attended many credit union leadership, values, management and finance courses and conferences. She has enjoyed her many years of serving members of the Guthrie Federal Credit Union and is confident that her experience has prepared her to take on the responsibilities required of the Board of Directors.

Mrs. Vail lives in Sayre, PA with her husband, Francis (Red) Vail. The couple has two married sons: Mark, a schoolteacher, and Shawn, a recently retired U.S. Army Colonel who served for over 30 years. They have three grandsons and a granddaughter. They also have a black lab mix rescue dog named Jasmine and a black cat who sometimes answers to the name Ebony.

COMMITTEES & STAFF

Supervisory Committee

Gary Reeves
Chairman

Sharon Alamo

Jennifer Wittie

Teresa Bustin

Debra Townsend
New Acct/Phone MSR

Crystal Quinn
MSR

Tammy Tunncliff
MSR

Janeen Dorman
MSR

GFCU Staff

ADMINISTRATION

John Savelli
President & CEO

FINANCE DEPARTMENT

Shannon McCarty
Sr. Accountant

LENDING DEPARTMENT

Timothy Hickey
Vice-President of Lending

Jamie Houghton
Mortgage Loan Officer

Danielle Ulrich
Loan Officer

Shelby Sullivan
Loan Officer

Megan Gratkowski
Loss Prevention Specialist

OPERATIONS DEPARTMENT

Kathryn Bonning
Vice-President of Operations

Elizabeth Saxon
Operations Specialist

Lynn Chappell
BSA Officer / Ft. Desk

Jennifer Heath
New Account Specialist

Martha Schultz
E.F.T. Coordinator

Ashley Hovan
Card Services Rep.

TROY BRANCH OFFICE

Bonnie Parsell
Loan Officer

Haley Allen
Mortgage Loan Officer

Todd Bacon
Operations Clerk

Mary Krise
MSR

Board of Directors:

John M. Simonds, Chairman
(14 years of board service)

Kevin Raupers, Vice-Chairman
(9 years of board service)

Bernard L. Smith, Treasurer
(20 years of board service)

Heather Vail, Secretary
(22 years of board service)

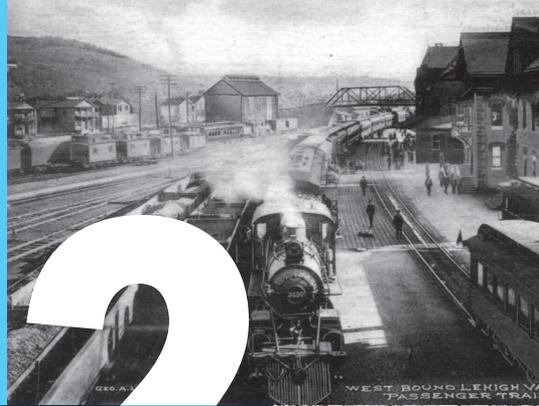
John Detrick, Board Member
(25 years of board service)

Roberta Sabitus-Place, Board Member
(19 years of board service)

Terry Bustin, Board Member
(9 years of board service)

Craig Wilhelm, Board Member
(1 year of board service)

Jennifer Wittie, Board Member
(Newly Appointed)



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YEARS OF HELPING THE COMMUNITIES WE SERVE!





GUTHRIE
COMMUNITY
CREDIT UNION

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