



GUTHRIE
COMMUNITY
CREDIT UNION

2021 ANNUAL REPORT

43RD Annual Meeting

**MAIN OFFICE – 104 N. ELMER AVE.
SAYRE, PA 18840
May 18, 2022**

Meeting called to order at 5:00 pm

Introductions (board of directors, supervisory committee
and management team)

Secretary's report

Overview & highlights of other reports

Questions from the floor

Approval of all reports from the floor

Nominating Committee's report

Meeting adjourned



2020 ANNUAL MEETING MINUTES

The Guthrie Community Credit Union's 42nd Annual Meeting was held on **May 19, 2021** at the main office located at 104 North Elmer Avenue in Sayre, PA.

President/CEO John Savelli called the meeting to order at 5:00 pm and welcomed all members in attendance. Mr. Savelli then acknowledged Heather Vail as the acting secretary. Mr. Savelli noted that 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 September 23, 2020. With there being no changes, Mr. Savelli asked for a motion to dispense with the reading of the prior year's minutes. Kevin Raupers made a motion to dispense with the reading of the prior year's minutes and accept them as presented. The motion was seconded by Heather Vail. The motion was carried unanimously.

Mr. Savelli then provided overviews of the **Chairperson and President's report** and reflected on the success of 2020. Mr. Savelli summarized the various forms of assistance and relief GCCU offered our members during the pandemic. Mr. Savelli discussed the new electronic signature, online mortgage center and ATM upgrades at various locations.

Mr. Savelli then referred the members to the **Treasurer's report** and the corresponding balance sheet and income statements. Mr. Savelli noted that Guthrie Community Credit Union's financial strength continued through 2020, as evidenced by strong equity gains of \$688,473 that 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 \$95.2 million, which represents a \$15.2 million increase over the prior year's assets. Mr. Savelli then thanked Treasurer Bernie Smith and finance committee members Heather Vail and Arthur Field for their service.

Mr. Savelli then referred the members to the **Supervisory Committee's report** and summarized the committee's responsibilities and duties. He noted that 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 ACH 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 there being no questions from the floor, Mr. Savelli asked for a motion to accept all reports. A motion was made by Jennifer Wittie to accept all reports and was seconded by Kate Bonning. The motion was carried unanimously.

Mr. Savelli then referred to the **Nominating Committee's report** and noted the committee members and the slate of directors up for re-election. Mr. Savelli then asked the secretary to cast one ballot for the slate of directors. Secretary **Heather Vail** moved to do so. The meeting was adjourned by Mr. Savelli at 5:25 pm.

**John Simonds, Chairperson
of the Board**

CHAIRPERSON AND 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 under the National Credit Union Administration (NCUA) guidelines. The safety and soundness of GCCU continues to be steadfast, fortified by a strong capital position and best business practices.

We accomplished a lot in 2021, and we're looking forward to hitting the ground running in 2022. We launched our new brand and website last year. We are currently wrapping up the due diligence phase of our merger with Solutions Federal Credit Union, and we hope to have NCUA approval by September of this year. We are focusing on going paperless and will have new digital signature pads in place by the second quarter of 2022.

The credit union's financial position continued to improve as assets grew from \$95.2 million as of December 2020 to **\$103.2** million as of December 2021. We continued to offer competitive rates on our loan and deposit products as evidenced by their record growth. Loan assets grew by \$3.3 million (7.5%) and deposits grew by \$8.1 million to reach \$92.9 million. We now serve over **7,411** members who rely on our credit union for safety and soundness.

Guthrie Community Credit Union is committed to supporting charitable, community and civic organizations. The credit union was a proud supporter of several Guthrie Clinic events this past year, including the Turkey Trot, Guthrie Gala, Guthrie Gallop and Golf for Guthrie Hospice.

We are fortunate to be part of such a caring and philanthropic community, and we want to extend a thank you to all of our members for their continued support. You helped us make 2021 a record setting year!

I also would like to take this opportunity to thank our volunteer board of directors, supervisory committee volunteers and each of our employees for their hard work and dedication. As a result of your service, Guthrie Community continues to be a financially strong, vibrant, community-focused credit union.

Sincerely,

**John Simonds, Chairperson
of the Board**

John Savelli, President/CEO

TREASURER'S REPORT

Fiscal Year-End 2021

2021 was yet another successful year for Guthrie Community Credit Union. The credit union continued to provide positive financial support to its members while expanding the quality and quantity of its services. From a financial perspective, the credit union saw an increase in assets, deposits, loans and capital in 2021.

Assets and core deposits ended the year at \$103.2 million and \$93.3 million respectively. This represents an \$8 million increase in both categories over the prior year-end. Loans to members totaled \$46.9 million, which represents an increase of \$3.3 million (7.0%). We also maintained our credit quality with a delinquency ratio of 0.65% at year-end, which is in line with our NCUA peer group.

The strong equity gains of \$790,762 are mainly attributable to an increase in earnings. Interest income on loans and investments increased by \$102,857 (3.39%). Dividends paid to members decreased by \$94,325 and can be attributed to the historically low federal funds target rate which remained at 0.00% - 0.25% throughout 2021.

Fee and other income increased by \$91,400 (8.21%) as business activities and transactions began to pick up again following the unprecedented events of 2020. In September of 2021, our corporate credit union distributed \$52,667 in reimbursements for the

corporate capital losses incurred during the financial crisis of 2008. Additionally, we held our fee structure in place throughout 2021.

Total operating expenses increased by 5.53% over the prior year-end. Approximately 50% of this increase is attributed to due diligence and planning costs for our merger with Solutions Federal Credit Union. The provision for loan loss totaled \$156,000 which represents an increase of \$31,436 and is attributed to an increase in member bankruptcy filings. Members' equity generated a return on assets of 0.77%, which is on par with our NCUA peer group. The credit union remains "**Well-Capitalized**" as defined by NCUA, with a stable net worth ratio of 10.42%.

The board of directors and management are committed to providing sound financial management, fiscal responsibility and superior member service to ensure that the Guthrie Community 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 12/31/21

	12/31/20	12/31/21
Assets		
Cash & Cash Equivalents	\$1,709,540	\$1,444,994
Loans to Members (Net)	43,590,791	46,912,750
Investment Securities	46,949,420	51,556,960
Accrued Interest Receivable	171,052	140,077
NCUSIF Deposit	776,878	879,551
Property & Equipment (Net)	1,833,837	1,832,931
Prepaid Expenses & Other	176,795	435,350
Total Assets	\$95,208,313	\$103,202,614

Liabilities		
Share & Club Accounts	\$36,311,410	\$43,194,150
Share Drafts	15,664,590	16,319,131
Money Market	8,603,834	11,134,704
Certificates of Deposit	24,211,842	22,254,056
Accrued Expenses & Other Liabilities	362,732	391,604
Total Liabilities	\$85,154,408	\$93,293,645

Equity		
Unrealized Gain (Loss) on Govt. Sec.	92,389	(843,308)
Regular Reserves	363,927	363,927
Undivided Earnings	9,597,588	10,388,350
Total Members' Equity	\$10,053,905	\$9,908,969

Total Liabilities and Members' Equity	\$95,208,313	\$103,202,614
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INCOME STATEMENT

For the Year Ended 12/31/21

	12/31/20	12/31/21
Interest Income		
Interest on Loans	\$2,481,448	\$2,433,254
Interest on Investments	552,016	703,068
Total Interest Income	\$3,033,464	\$3,136,322
Interest Expense		
Dividends	534,113	439,788
Net Interest Income	\$2,499,351	\$2,696,533
Fee & Other Income	\$1,112,971	\$1,204,370
Operating Expenses		
Compensation & Benefits	1,506,123	1,452,597
Travel & Conference	3,661	8,842
Office Occupancy	149,366	167,006
Office Operations	335,409	352,174
Advertising & Promotion	70,461	89,716
Loan Servicing	117,146	126,484
Professional & Outside Services	569,050	720,090
NCUA Fees & Other	48,067	37,233
Total Non-Interest Expense	\$2,799,284	\$2,954,142
Provision for Loan Loss	\$124,564	\$156,000
Net Income	\$688,473	\$790,762

SUPERVISORY COMMITTEE'S REPORT

The Guthrie Community Credit Union Supervisory Committee is made up of three volunteer members who independently evaluate the strength and soundness of the 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 assets are safeguarded by upholding all applicable regulatory policies and procedures. The committee brings a variety of professional experience to ensure conformity to NCUA rules and regulations.

For year-end 2021, the supervisory committee retained the services of Wojeski & Co, CPAs to perform an independent audit of the credit union's financial statements under agreed-upon procedures. The committee also retained Wojeski & Co to perform quarterly audits of the credit union's operations and systems of internal controls. 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.

After reviewing the report, the supervisory committee is satisfied that adequate internal controls exist to protect member accounts and financial statements accurately reflect the positive performance and condition of the credit union. Guthrie Community Credit Union continues to maintain a viable and sound operation as evidenced by the findings of our external auditors and the committee's own observations and analysis.

The latest regulatory NCUA exam at the credit union was dated March 31, 2020 and reported an excellent review and rating.

The supervisory committee would like to thank the board of directors, management, president/CEO and employees of the Guthrie Community Credit Union. We look forward to another successful year in 2022.

Respectfully submitted,
Gary Reeves, Chairperson

NOMINATING COMMITTEE'S REPORT

The Nominating Committee, consisting of John Detrick, Art Field & Heather Vail, 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 Simonds – Mr. Simonds has worked for Pathways, Inc. in Corning, NY for 21 years and today serves as the company's Chief Operating Officer. Prior to Pathways, he worked in the Guthrie healthcare system for 14 years. A graduate of the University of Scranton, Mr. Simonds has served on the Guthrie Community Credit Union Board and personnel committee for 15 years. He also serves as a board member for the Family Services of Chemung County and for Person Centered Services of Western New York.

Bernie Smith – Mr. Smith graduated from Waynesburg College in 1975 with a bachelor's degree in accounting and business administration, and he recently retired after a 40 year career in accounting and finance. Mr. Smith spent 19 years— nearly half his career— at Guthrie Healthcare. He has been a member of the Guthrie Community Credit Union Board for 21 years and has served on the finance, supervisory and personnel committees. He currently resides in Sayre, PA with his wife Debbie.

Roberta Sabitus-Place – Mrs. Sabitus-Place graduated from Wilkes College with a bachelor's degree in psychology and a minor in accounting. She went on to earn a graduate certificate in human resources from Cornell University and worked in HR for close to 30 years. Mrs. Sabitus-Place has been involved in the credit union movement since the late 80's and is an active member of the Guthrie Community Credit Union Board. In addition to serving on several board committees, she served as secretary for one term and board chairperson for two terms. She has also served as president of the International Management Council, on the board of Big Brothers Big Sisters (she has been a Big to a Little too!) and has past involvement in the Republican Party. She is so proud of her years working with the Guthrie Community Credit Union Board to help grow a small-town credit union into a thriving institution that serves the entire community.

COMMITTEES & STAFF

Supervisory Committee

Gary Reeves

Chairperson

Sharon Alamo

Jennifer Wittie

Ashley Hovan

Card Services Rep.

Naomi Gallagher

MSR

Tammy Tunnicliff

MSR

Lacey Wolcott

BSA Officer / Ft. Desk

CCCU 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

Megan Gratkowski

Loan Officer

Lynn Chappell

Loss Prevention Specialist

OPERATIONS DEPARTMENT

Kathryn Bonning

Vice President of Operations

Elizabeth Saxon

Operations Specialist

Todd Bacon

Operations Clerk

Jennifer Heath

New Account Specialist

Martha Schultz

EFT Coordinator

Debra Townsend

New Acct/Phone MSR

TROY BRANCH OFFICE

Bonnie Parsell

Loan Officer

Haley Allen

Mortgage Loan Officer

Mary Krise

MSR

Shandi Rockwell

MSR

Megan Derstine

PT - MSR

Board of Directors:

John M. Simonds, Chairperson

(15 years of board service)

Kevin Raupers, Vice Chairperson

(10 years of board service)

Bernard L. Smith, Treasurer

(21 years of board service)

Heather Vail, Secretary

(23 years of board service)

John Detrick, Board Member

(26 years of board service)

Roberta Sabitus-Place, Board Member

(20 years of board service)

Craig Wilhelm, Board Member

(2 years of board service)

Jennifer Wittie, Board Member

(2 years of board service)

Arthur Field, Board Member

(1 year of board service)



PROUD SUPPORTER



COMMUNITY



THANK YOU



GUTHRIE
COMMUNITY
CREDIT UNION

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