



2020 ANNUAL REPORT



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PRESIDENT'S & CHAIRMAN'S REPORT

The COVID-19 pandemic had a significant effect on our operations and plans for 2020. Branch lobbies were closed in the spring for a couple of months. Although our lobbies were closed, we were able to serve our members through our drive-thru lanes, our online and mobile options, and by "appointment" for those members who needed to come into a branch office for service. We reopened all of our lobbies by early summer under the new normal of facemasks, Plexiglas shields, hand sanitizing, and other safeguards to protect our members and staff.

Although we did end 2020 with positive income, it was a tight year. Net income was down from the previous year and loan volumes also decreased. However, on the positive side, deposits and memberships grew significantly to help set us up for long-term success.

Even with the pandemic disruption, Georgia Heritage Federal Credit Union was able to complete a number of Strategic Initiative Projects in 2020:

- Implemented DocuSign for our staff and members
- Implemented instant approvals for our auto loans
- Deployed online check ordering
- Deployed mobile/online banking new share opening and funding for existing members
- Upgraded our credit card platform
- Deployed ACH payments to our indirect dealers
- Automated ACH origination returns
- Deployed real time replication to our Rincon Branch
- Implemented collections queue workflow
- Installed a new major Small Business Server (SBS)
- Deployed a new exchange email server
- Upgraded every pc to Microsoft Office 10
- Upgraded all printers and copiers

Many of our projects have focused on technology and improving ease of access for our members. As we continue to deal with the COVID-19, we have adjusted and adopted to the new norm and we are in a better position to deal with the pandemic in 2021. There is hope that things will get back to more of a normal operation by late 2021.

Georgia Heritage Federal Credit Union continues to remain in a strong financial position to serve our member's needs. We are committed to our mission statement "making a positive difference for our members and the communities we serve" and continue to help people afford life.

We look forward to the challenges of 2021 and serving the needs of our members. Thank you for your continued support and membership!

Respectfully submitted,
Sammy Blankenship, Board Chair
Dale Taratuta, President/CEO



2020 BOARD OF DIRECTORS



Sammy Blankenship



Russell Bright



Donna Trapani



Michael Lamb



Susan Helme



Sheila Donaldson



Lydia Rayner-Syed

DIRECTORS EMERITUS:

J.D. Dyches
Jerry Gill

Gene Johnson
W.R. Reed

STATEMENT OF FINANCIAL CONDITION

	2020	2019	2018	2017	2016
Assets					
Cash	\$2,696	\$2,506	\$2,638	\$2,103	\$2,252
Member Loans	\$72,967	\$78,054	\$80,205	\$75,709	\$70,951
Loan reserves	(\$366)	(\$380)	(\$483)	(\$586)	(\$510)
Investments	\$34,995	\$17,426	\$10,116	\$13,341	\$15,250
Fixed Assets	\$3,968	\$4,340	\$4,337	\$3,000	\$2,118
Other Assets	\$4,181	\$3,708	\$3,979	\$3,608	\$3,387
Total	\$118,442	\$105,654	\$100,792	\$97,175	\$93,448
Liability and Equity					
Accounts Payable and Other Liabilities	\$1,297	\$1,613	\$1,837	\$1,930	\$1,736
Dividends Payable	\$37	\$46	\$36	\$28	\$29
Total Savings	\$104,499	\$91,569	\$86,826	\$83,599	\$80,556
Total Equity	\$12,609	\$12,426	\$12,093	\$11,618	\$11,127
Total	\$118,442	\$105,654	\$100,792	\$97,175	\$93,448

STATEMENT OF INCOME

Gross Income	\$5,523	\$5,680	\$5,289	\$5,112	\$4,895
Less: Operating Cost Minus Loan Provision	\$4,446	\$4,686	\$4,253	\$3,782	\$3,557
Loan Provision	\$381	\$226	\$248	\$502	\$746
Cash Dividends to Members	\$510	\$498	\$358	\$331	\$334
Net Operating Income/(Loss)	\$185	\$270	\$430	\$497	\$258
Non-Operating Income	\$0	\$66	\$58	-	-
Gain (Loss) on Disposition of Assets	(\$2)	(\$3)	(\$13)	(\$6)	(\$39)
Net Income (Loss)	\$183	\$333	\$475	\$491	\$219

All numbers are in thousands.



SUPERVISORY COMMITTEE



Gary Guillory



Susan Helmey



Christine Collins

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is a group of volunteers elected from within the Credit Union membership. One of the main responsibilities of the Supervisory Committee is to ensure that the financial statements of the Credit Union are accurate and fairly represent the Credit Union's financial condition. Other responsibilities of the Supervisory Committee are to see that the practices and procedures of management and the Board of Directors safeguard the members' assets, respond to member complaints and supervise all external audits.

The Supervisory Committee routinely attends Board meetings and other committee meetings as needed to ensure the Board of Directors' plans and policies are in your best interest and they protect the safety and soundness of the Credit Union.

Nearman, Maynard, Vallez, CPAs PA will conduct an audit during the 2nd quarter of 2021. The results will be reported to Management and the Board of Directors.

TREASURER'S REPORT

In 2020, the economy shrank 3.5% for the full year compared to a 2.3% growth in 2019. In the fourth quarter 2020, GDP grew by 4% providing optimism for the coming year. The COVID-19 pandemic created the worst economic performance in 74 years. In 2020, the Savannah metro area unemployment rate averaged 6.9% compared to 3.4% in 2019 and ended at 5.6% in December, 1.1% below the National level of 6.7%. Federal Reserve Fed Funds rates have remained at historic lows all year and were 9BP at year-end 2020.

Georgia Heritage Federal Credit Union continued to grow in 2020 ending the year with \$118.4 million in total assets, an increase of \$12.8 million or 12.1% over 2019. Membership grew at a rate of 7.1% and we ended the year with 12,174 members. Shares increased \$12.9 million or 14.1% over 2019 as a result of pandemic related savings rates increasing. However, loans declined \$5.1 million or 6.5% primarily as a result of net payoffs in indirect and direct auto loans. With our loans decreasing and our shares increasing, our loan to share ratio declined from 85.4% in 2019 to 69.8% in 2020. In 2021, we will look at various strategies to increase loan volumes and to diversify our loan portfolio.

2020 Net income finished at \$183,210 with a return on assets ratio of 0.16% which was down from .32% in 2019. Georgia Heritage Federal Credit Union continues to maintain a strong financial position with a capital ratio of 10.65%. Credit quality remains very solid with controlled delinquencies and charge-offs.

Economic uncertainty always brings challenges but we are committed to maintaining a healthy financial position while supporting membership growth. Our management team continues to look for opportunities to provide our members with high-quality products and services, while controlling expenses.

Thank you for supporting your Credit Union!
Respectfully submitted,

Sheila Donaldson
Secretary/Treasurer



LOCATIONS:

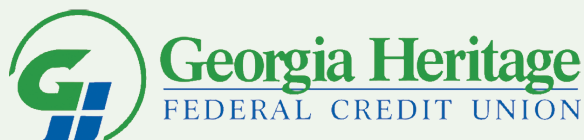
1085 W. Lathrop Ave.
Savannah, GA 31415

200 Stephenson Ave. Suite 100
Savannah, GA 31405

102 Park Ave.
Pooler, GA 31322

5745 HWY 21 South
Rincon, GA 31326

www.gaheritagefcu.org



MISSION STATEMENT

Making a positive difference

for our members and the communities we serve.

