



Georgia Heritage
FEDERAL CREDIT UNION



2023 ANNUAL REPORT

2023 BOARD OF DIRECTORS



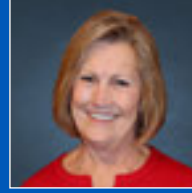
Donna Trapani
Chairperson



Michael Lamb
Vice Chairperson



Sheila Donaldson
Secretary / Treasurer



Susan Helmey
Director



Donna Katula
Director



Lisa Winter
Director

PRESIDENT'S & CHAIRMAN'S REPORT

2023 was a very exciting year for Georgia Heritage Federal Credit Union!

On January 1, 2024 G.P.A. Credit Union officially merged into Georgia Heritage Federal Credit Union! We worked diligently throughout 2023 to complete all of the documents to obtain regulatory approval from the National Credit Union Administration (NCUA) and the Georgia Department of Banking and Finance (DBF). In late November 2023, the G.P.A. Credit Union members voted overwhelmingly to approve the merger.

G.P.A. Credit Union was formed in 1952 to serve the employees of the Georgia Port Authority. This merger gives Georgia Heritage Federal Credit Union a very strong direct connection to the Georgia Port Authority employees. We will continue to grow this relationship and offer the Georgia Port Authority employees additional financial products and services. With the addition of G.P.A. Credit Union in January 2024, Georgia Heritage Federal Credit Union will have approximately \$145M in assets and over 15,000 members!

Georgia Heritage Federal Credit Union had a strong financial year in 2023. The Credit Union was able to achieve net income of \$770,572, a Return on Assets (ROA) ratio of 0.60%, and we remain in a strong financial position with a net worth ratio of 10.42%.

In early 2023, our Credit Union website was updated. This upgrade gives our members a modern feel through our website and improves ease of access.

This past summer, our Pooler Branch was remodeled. The Pooler Branch lobby was designed to be consistent with our Rincon and Lathrop Branches. The teller line was

moved closer to the front of the branch and a separation was created between the member service area and back office operations. Our outside signage was also updated.

Also in 2023, we completed a number of strategies to help the Credit Union improve efficiencies. We improved a number of our internal processes and financial models. We continue to focus on staffing. Our goal is to continue to improve our work culture, reduce turnover, and increase employee satisfaction.

All of our positive 2023 exams and audits continue to validate the high priority the Credit Union places on compliance and security. We have also been focusing on reducing fraud. A Fraud Committee was formed and a number of processes and new tools have been implemented to improve our fraud prevention and reduce losses.

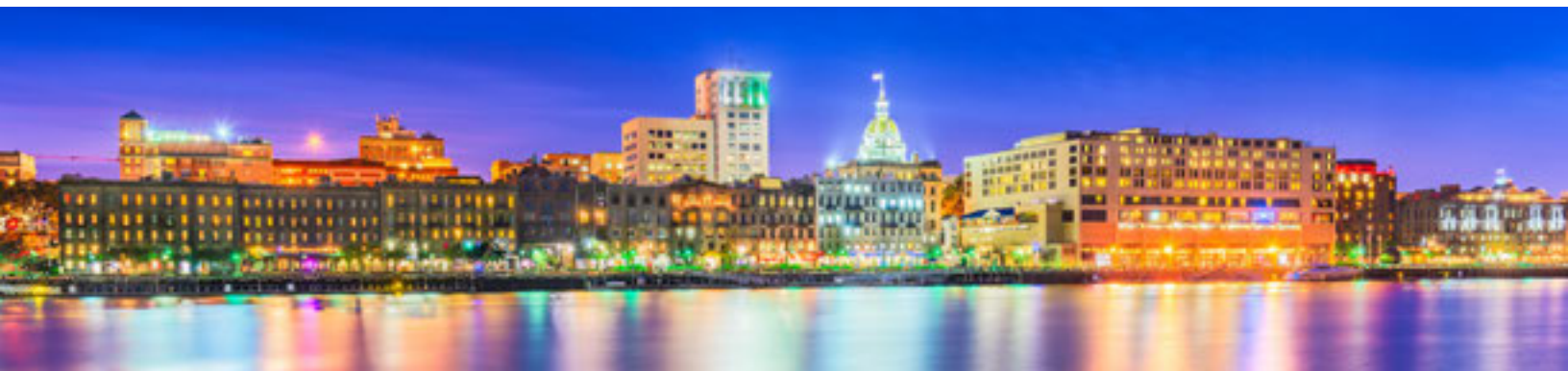
Georgia Heritage Federal Credit Union strives to be a valued partner in all of the communities we serve. We are committed to our mission statement of, "making a positive difference for our members and the communities we serve", and the credit union philosophy of, "People Helping People."

Overall, 2023 was a successful year! We look forward to the challenges in 2024 and serving the needs of our members. We thank you for your continued support and membership.

Respectfully submitted,

Donna Trapani,
Board Chair

Dale Taratuta,
President/CEO



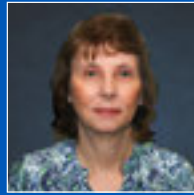
SUPERVISORY COMMITTEE



Gary Guillory



Susan Helmey



Christine Collins

DIRECTORS EMERITUS:

J.D. Dyches
Gene Johnson

Sammy Blankenship
Russell Bright

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 2024. The results will be reported to Management and the Board of Directors.



STATEMENT OF FINANCIAL CONDITION

	2023	2022	2021	2020	2019
Assets					
Cash	\$2,668	\$2,952	\$2,193	\$2,696	\$2,506
Member Loans	\$89,956	\$87,050	\$77,964	\$72,967	\$78,054
Loan Reserves	(\$983)	(\$317)	(\$320)	(\$366)	(\$380)
Investments	\$29,866	\$36,724	\$40,568	\$34,995	\$17,426
Fixed Assets	\$3,977	\$3,823	\$4,056	\$3,968	\$4,340
Other Assets	\$5,154	\$4,684	\$4,726	\$4,181	\$3,708
Total	\$130,639	\$134,916	\$129,187	\$118,442	\$105,654
Liabilities and Equity					
Accounts Payable and Other Liabilities	\$2,575	\$2,190	\$1,424	\$1,297	\$1,613
Dividends Payable	\$138	\$37	\$23	\$37	\$46
Total Savings	\$114,317	\$119,339	\$115,055	\$104,499	\$91,569
Total Equity	\$13,609	\$13,350	\$12,684	\$12,609	\$12,426
Total	\$130,639	\$134,916	\$129,187	\$118,442	\$105,654
STATEMENT OF INCOME					
Gross Income	\$7,460	\$6,250	\$5,449	\$5,523	\$5,680
Less: Operating Cost Minus Loan Provision	\$5,389	\$5,181	\$4,894	\$4,446	\$4,686
Loan Provision	\$330	\$277	\$180	\$381	\$226
Cash Dividends to Members	\$971	\$295	\$334	\$510	\$498
Net Operating Income/(Loss)	\$771	\$498	\$41	\$185	\$270
Non-Operating Income	\$0	\$167	\$22	\$0	\$66
Gain (Loss) on Disposition of Assets	\$0	\$0	\$13	(\$2)	(\$3)
Net Income (Loss)	\$771	\$665	\$75	\$183	\$333

All numbers are in thousands.



Walk MS

On April 1, 2023, Georgia Heritage FCU participated Walk MS®, an event that brings together passionate people for a powerful purpose: to end Multiple Sclerosis forever.



Parent University

Georgia Heritage FCU joined forces with Parent University, a community-based, volunteer, non-profit organization established to help parents better support their children by educating them on a variety of topics, including Financial Wellness, Health Awareness, Academics, and more.



2023 Highlights



Financial Literacy Education

At GHFCU, we love giving back to the community by educating members of the communities we serve on the importance of financial literacy. In 2023, we visited schools, businesses, factories and houses of worship. If you would like us to visit your organization in 2024, reach out to a GHFCU team member!



8th Annual Chipping for Charity Tournament

GHFCU sponsored the Pooler Lions Club 8th Annual Chipping for Charity golf tournament to benefit their enrichment of the Coastal Empire on May 13, 2023. The credit union donated items to the golfers' goodie bags in addition to serving as a bronze level sponsor.



Earth Day

On April 21, 2023, GHFCU sponsored and attended the Celebration for Earth Day hosted in Daffin Park themed as "The Future is Bright." The Credit Union hosted a table with a prize wheel including sunglasses and reusable totes, along with more information about what GHFCU does in the community.



Best of Pooler

GHFCU was voted Best Credit Union in Pooler in 2023. Thanks to all who voted!

Breast Cancer Awareness

GHFCU staff members distributed Breast Cancer Awareness ribbons and informational cards to all members who visited the branch during October, 2023. The credit union also made a \$528 donation to the Telfair Mammography Fund to cover one biopsy for an uninsured or underinsured patient in the Savannah area.



Salvation Army's Angel Tree Project

GHFCU employees and Board of Directors participated in Salvation Army's annual Angel Tree Project, adopting several local children to give gifts for the holidays!



Teacher Appreciation Week

GHFCU celebrated Teacher Appreciation Week by providing breakfast biscuits, drinks and pens to the 90 educators at Otis J Brock III Elementary School.



Back to School Drive

GHFCU held a back to school supply drive in 2023, collecting many supplies to offer to children in need throughout our communities.

TREASURER'S REPORT

In 2023, the economy expanded by an annual average of 2.8% vs. 2% in 2022. The Savannah metro area unemployment rate increased to 3.2%, up from 2.8% in December 2022. Federal Reserve rates increased to 5.25%, up from 4.0% in December 2022.

Georgia Heritage Federal Credit Union total assets dropped from \$134.9 million in December 2022 to \$130.6M in December 2023, a drop of 3.2%. The decrease was a result of deposit runoff experienced throughout 2023. Membership grew at a rate of 2.4% and we ended the year with 13,767 members. Shares decreased \$5.0 million or 4.2%. Loan balances increased \$2.9 million or 3.3% in 2023, primarily driven by pent up loan demand. Most of the loan growth was in indirect auto and real estate loans. Our loan to share ratio increased from 72.9% in 2022 to 78.7% in 2023 as loan growth outpaced deposit growth.

We continue to look at various strategies to increase loan volumes and to diversify our loan portfolio, with an emphasis on the managing the mix of fixed and variable rate loans. Federal rate decreases are expected in the second and third quarters of 2024, however, the Federal Reserve has remained cautious in its fight with inflation.

2023 net income finished at \$770,572 with a return on assets ratio of 0.60%, which was up from 0.49% in 2022. Georgia Heritage Federal Credit Union continues to maintain a strong financial position with a capital ratio of 10.42% at year-end 2023. Credit quality remains solid with controlled delinquencies and net charge-offs to average loans totaling 0.20% for the year, down from 0.34% in 2022.

Economic uncertainty always brings challenges but we are committed to maintaining a healthy financial position while supporting membership growth. In early 2024, we will complete our merger with GPA Credit Union which will add \$14.3M in assets. Our management team continues to look for opportunities to improve membership experience by providing high-quality products and services, while controlling expenses.

Thank you for supporting your Credit Union!

Respectfully submitted,

Sheila Donaldson
Secretary/Treasurer

MISSION STATEMENT: MAKING A POSITIVE DIFFERENCE FOR OUR MEMBERS AND THE COMMUNITIES WE SERVE



LOCATIONS:

MAIN OFFICE
1085 W Lathrop Ave.
Savannah, GA 31415

STEPHENSON BRANCH
200 Stephenson Ave Ste. 100
Savannah, GA 31405

POOLER BRANCH
102 Park Ave.
Pooler, GA 31322

RINCON BRANCH
5745 GA-21 S
Rincon, GA 31326

**GEORGETOWN CENTRE
ATM/ITM ONLY**
1040 King George Blvd.
Savannah, GA 31419

