



ANNUAL REPORT 2022



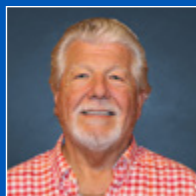
MAKING A POSITIVE DIFFERENCE FOR OUR MEMBERS
AND THE COMMUNITIES WE SERVE



2021 BOARD OF DIRECTORS



Donna Trapani
Chairperson



Michael Lamb
Vice Chairperson



Sheila Donaldson
Secretary / Treasurer



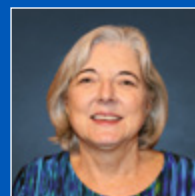
Susan Helmey
Director



Lydia
Rayner-Syed
Director



Donna Katula
Director



Lisa Winter
Director

PRESIDENT'S & CHAIRMAN'S REPORT

After managing through all of the challenges and impact of COVID during 2020 & 2021, we are back to normal operations. 2022 was a successful year for Georgia Heritage Federal Credit Union and we continue with a strong financial position. The Credit Union was able to achieve net income of \$665,082 and a return on assets ratio of 0.49%. We experienced strong growth in membership, loan balances, and share balances.

We continually manage and monitor our expenses but also realize that we must continue to invest in technology in order to satisfy current members and attract new members. These investments in technology come with a cost. Despite the large technology investments and the environmental and economical constrictions we faced, expenses in 2022 were held to modest increases.

We completed a number of strategies to help members access and manage their finances. In late 2021 and early 2022, we implemented an Interactive Teller Machines (ITM) strategy to replace some of our aging ATMs. ITMs have more functionality than ATMs, and they also have the ability to allow our members to interact with a live teller through video. Almost all transactions that can be conducted at the teller window can be accomplished at the ITM. In late 2022, we deployed our enhanced self-serve ITM programming. This programming adds even more self-serve functionality for our members.

In early 2022, we updated our mobile and online banking platform. This upgrade gives our members a consistent and modern feel through all of our online touchpoints. We also changed our mortgage provider to Members First Mortgage. By making this change, we are able to provide a better approval process and onboarding experience for our members.

Also, in 2022, we completed a number of strategies to help the Credit Union improve efficiencies. We deployed a new HRIS/Payroll System to help manage staff's pay and benefits. We implemented a new phone system and updated our three main servers. Overall, all of these projects will help us operate more efficiently and have a positive effect on our interactions with members, while reducing risk to the Credit Union.

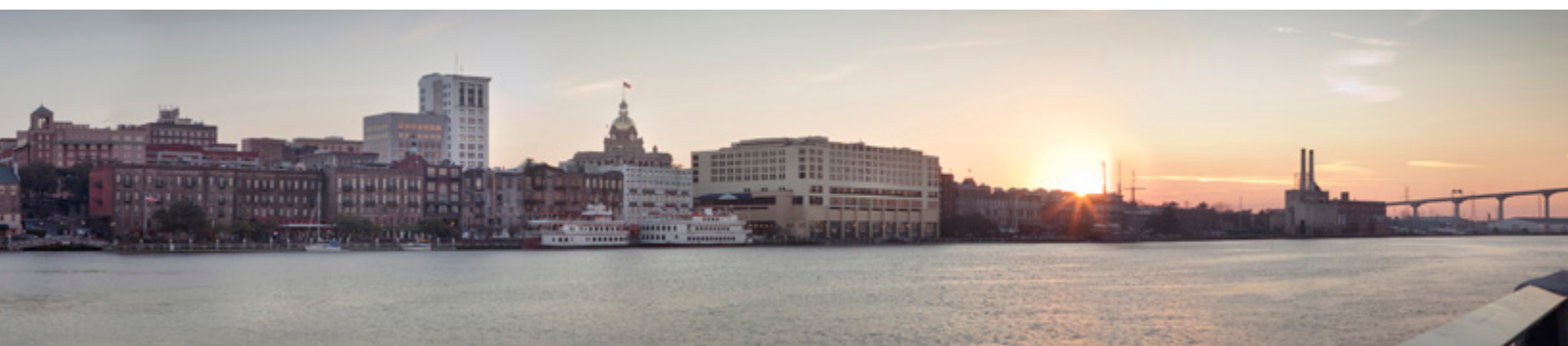
All of our 2022 exams and audits continues to validate the high priority the Credit Union places on compliance and security. We continue to see increases in compliance-related requirements. Federal regulations will continue to create challenges and require more resources to ensure compliance.

Georgia Heritage Federal Credit Union strives to be a valued partner in all of our communities and 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."

We thank you for your continued support and membership, which allows us to make a positive difference in the lives of those we serve!

Respectfully submitted,

Donna Trapani, Board Chair
Dale Taratuta, President/CEO



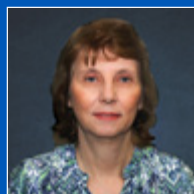
SUPERVISORY COMMITTEE



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 2023. The results will be reported to Management and the Board of Directors.



STATEMENT OF FINANCIAL CONDITION

	2022	2021	2020	2019	2018
Assets					
Cash	\$2,952	\$2,193	\$2,696	\$2,506	\$2,638
Member Loans	\$87,050	\$77,964	\$72,967	\$78,054	\$80,205
Loan Reserves	(\$317)	(\$320)	(\$366)	(\$380)	(\$483)
Investments	\$36,724	\$40,568	\$34,995	\$17,426	\$10,116
Fixed Assets	\$3,823	\$4,056	\$3,968	\$4,340	\$4,337
Other Assets	\$4,684	\$4,726	\$4,181	\$3,708	\$3,979
Total	\$134,916	\$129,187	\$118,442	\$105,654	\$100,792
Liabilities and Equity					
Accounts Payable and Other Liabilities	\$2,190	\$1,424	\$1,297	\$1,613	\$1,837
Dividends Payable	\$37	\$23	\$37	\$46	\$36
Total Savings	\$119,339	\$115,055	\$104,499	\$91,569	\$86,826
Total Equity	\$13,350	\$12,684	\$12,609	\$12,426	\$12,093
Total	\$134,916	\$129,187	\$118,442	\$105,654	\$100,792
STATEMENT OF INCOME					
Gross Income	\$6,250	\$5,449	\$5,523	\$5,680	\$5,289
Less: Operating Cost Minus Loan Provision	\$5,181	\$4,894	\$4,446	\$4,686	\$4,253
Loan Provision	\$277	\$180	\$381	\$226	\$248
Cash Dividends to Members	\$295	\$334	\$510	\$498	\$358
Net Operating Income/(Loss)	\$498	\$41	\$185	\$270	\$430
Non-Operating Income	\$167	\$22	\$0	\$66	\$58
Gain (Loss) on Disposition of Assets	\$0	\$13	(\$2)	(\$3)	(\$13)
Net Income (Loss)	\$665	\$75	\$183	\$333	\$475

All numbers are in thousands.

TREASURER'S REPORT

In 2022, the economy expanded by an annual average of 2% vs. a 5% increase in 2021. In 2022, the Savannah metro area unemployment rate dropped from 2.8 % in December 2021 to 2.6% in November 2022. Fed Funds rates have increased dramatically from historic lows of 8 BP at year-end 2021 to over 4% in December 2022.

Georgia Heritage Federal Credit Union continued to grow in 2022, ending the year with \$134.9 million in total assets, an increase of \$5.7 million or 4.4% over 2021. Membership grew at a rate of 3.5% and we ended the year with 13,441 members. Shares increased \$4.3 million or 3.7% over 2021 as a result of membership growth. Primarily driven by lower rates and pent up demand, loan balances increased \$9.1 million or 11.7% in 2022. Most of the loan growth was in indirect auto, direct auto, and real estate loans. Our loan to share ratio increased from 67.8% in 2021 to 72.9% in 2022 as loan growth outpaced deposit growth.

We will 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 hikes are expected to level off by the first or second quarter of 2023 and drop later in 2023.

2022 net income finished at \$665,082 with a return on assets ratio of 0.49% which was up from 0.06% in 2021. In 2022, Georgia Heritage Federal Credit Union received an investment recovery of \$167K which was a non-recurring event. Georgia Heritage Federal Credit Union continues to maintain a strong financial position with a capital ratio of 9.89%. Credit quality remains solid with controlled delinquencies and net charge-offs to average loans totaling 0.34% for the year.

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:

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

