



# 2020 ANNUAL REPORT

*Our focus is you!*

 **GPO**  
FEDERAL CREDIT UNION



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## MESSAGE FROM LEO CALLARI, BOARD CHAIRMAN & NICHOLAS MAYHEW, PRESIDENT & CEO

**Dear GPO Members,**

Through tough times and challenges, we all have to work together in a strong, effective, united, and coordinated response and 2020 proved that possible at GPO. **As a locally focused credit union, taking care of our members, employees and the communities we serve is always our priority.** We did this by putting our members and staff first and providing them with resources and tools to get through challenging times.

At the start of the year, planning for the expansion of GPO's Administration Building was under-way. The credit union has grown rapidly in assets and employees needing space for future growth. Unfortunately unseen circumstances in March 2020 affected day-to-day operations at GPO as lobby traffic adjusted with government guidelines, the banking environment shifted more virtually due to COVID-19. Luckily, our investments in technology in 2019 allowed GPO staff and members to become familiar with the new digital age. Members were able to apply for loans, open new accounts, set up appointments and complete service requests via DocuSign all online. GPO offered members financial assistance during these hard times to try and eliminate financial stress. Visa credit card members in good standing were given \$500 added to their available line of credit. Skip-a-pay fees for members looking to defer loan payments were waived, along with overdraft fees being waived upon member's request. Rates on loans dropped to help those looking for relief in various ways including those who were looking for auto loans had payments deferred for 90 days. **Despite the pandemic impacting the way member's accessed money or conducted other banking transactions, we were able to connect, interact and have real valuable relationships with our members offering relief from new financial stressors.**

As the year had a financial impact on everyone, it was important to us to keep GPO employees paid in full during the pandemic. Even though GPO had to minimize staffing levels to meet pandemic requirements of social distancing and workforce limits, employees still received their full pay.

In 2020, GPO created a 'pandemic paid-time-off allowance' for hours weren't worked during the pandemic and paid employees for 8,872 hours which equated to \$153,833.

We also provided our frontline workers with an additional 'hazard pay' rate for being exposed to the public every day, a totaling \$28,124 in extra pay. Lastly, to those employees who continued working their normal schedule and received no pay bumps for doing so, we provided a one-time payout totaling \$14,750. This was the board's decision to show a small token of appreciation for the efforts from our staff throughout the pandemic.

**As we look forward to 2021 and beyond, GPO will be celebrating 90 years in the community and thanking out members for being the key to GPO's success!** We'll continue to celebrate the lessons learned over our 90 years and will use those lessons to thrive no matter the circumstance. **This next year we are filled with hope, growth and new opportunities as we extend our financial resources to the Rome community. GPO's new Rome branch will be planned to open doors to members in the fall of 2021.** As GPO grows and evolves to deliver the best member service possible, our focus never changes, because our focus is always you!

*Respectfully,*

**Leo Callari**  
Board Chairman

**Nicholas Mayhew**  
President & CEO



# BOARD OF DIRECTORS & LEADERSHIP TEAM

## BOARD OF DIRECTORS

- ★ **Leo Callari**, Chairman *(Term expires 2021)*
- ★ **Nicholas Mayhew**, President and Chief Executive Officer *(Term expires 2022)*
- ★ **Dewey Rowlands**, Vice Chairman *(Term expires 2021)*
- ★ **Frank Mazza**, Secretary *(Term expires 2022)*
- ★ **John Prumo**, Director *(Term expires 2021)*
- ★ **Patsy Canarelli**, Director *(Term expires 2022)*
- ★ **Andrea LaGatta**, Director *(Term expires 2023)*
- ★ **James Noon**, Director *(Term expires 2023)*
- ★ **Andrew Biernat**, Director *(Term expires 2023)*

## SUPERVISORY COMMITTEE

- ★ Allan Cornell, Chairman
- ★ Mitch Amado

## SENIOR LEADERSHIP TEAM

- ★ **Nicholas Mayhew**, President & Chief Executive Officer
- ★ **Gary Roback**, Senior Vice President of Member Services
- ★ **Robert Bradley**, Senior Vice President of Finance
- ★ **Laura Williams**, AVP of Human Resources & Compliance
- ★ **Michelle Coe**, AVP of Deposit Operations
- ★ **Sue LaRock**, AVP of Project Development
- ★ **Tricia Kocyba**, AVP of Branch Operations
- ★ **Amy Fierro**, AVP of Lending



GPO's Administration Building Groundbreaking on June 2, 2020  
attended by Senior Leadership and Board Members

2020

# NUMBERS at a glance

## MEMBERSHIP GROWTH



1,153

new members were **welcomed** to GPO.

## CREDIT CARD LOANS

775

new Visa's  
with a  
credit  
limit of



\$2.8m



## VEHICLE LOANS

6,766

Loans funded



\$53m

Total Value

## HOME LENDING (Mortgage & Equity)

316

Loans funded



\$92m

Total Value



## ANNUAL GIVING



# \$30k

was donated to various local organizations.

## TURKEY TUESDAYS

# 150



TURKEYS

TOTALING 

# \$3k

were **donated** to the following local food pantries for Thanksgiving:

- ★ Hope House
- ★ Ilion-Frankfort Food Pantry
- ★ Karing Kitchen
- ★ Rescue Mission of Utica
- ★ Utica Food Pantry



## TAKE OUT THE VIRUS

# \$950

GPO employees were given \$50 to take part in the Greater Utica Chamber's "Take Out the Virus Campaign" aimed to support local restaurants.



GPO provided **Bassett Little Falls Hospital** with a **Drive Thru Flu Clinic**, and donated to **Mohawk Valley Health System's COVID-19 Response Fund**.



# STATEMENT OF FINANCIAL POSITION

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
Loans .....	\$203,852,454	\$186,991,513
Allowance for Loan Loss .....	-\$2,692,007	-\$3,346,449
Cash .....	\$3,999,877	\$3,990,233
Investments .....	\$146,520,159	\$103,895,020
Fixed Assets .....	\$8,871,426	\$6,076,826
Prepaid/Receivables .....	\$15,886,407	\$8,580,661
NCUSIF .....	\$3,098,580	\$2,581,670
<b>Total .....</b>	<b>\$379,536,896</b>	<b>\$308,769,474</b>

## LIABILITIES AND EQUITY

Accounts Payable .....	\$3,505,217	\$2,834,858
Share Savings .....	\$116,551,967	\$89,133,267
Share Draft Checking .....	\$78,210,806	\$53,057,768
Money Market Accounts .....	\$72,757,011	\$58,013,231
Certificates .....	\$64,726,752	\$68,017,123
Other Savings .....	\$7,996,706	\$6,284,496
Reserves/Undivided Earnings .....	\$35,788,437	\$31,428,731
<b>Total .....</b>	<b>\$379,536,896</b>	<b>\$308,769,474</b>

## STATEMENT OF INCOME

Interest on Loans .....	\$9,622,302	\$9,610,100
Investment Income .....	\$2,327,208	\$2,470,539
Other Operating Income .....	\$6,052,770	\$6,609,858
<b>Total .....</b>	<b>\$18,002,279</b>	<b>\$18,690,497</b>

## DISTRIBUTION OF INCOME

Compensation .....	\$4,499,755	\$4,204,118
Employee Benefits .....	\$1,119,544	\$1,017,643
Office Occupancy .....	\$629,335	\$618,529
Operational Expense .....	\$2,673,862	\$2,421,082
Education & Promotion .....	\$322,025	\$331,621
Loan Servicing .....	\$1,195,015	\$1,184,669
Provision for Loan Loss .....	\$600,000	\$1,312,000
Professional Services .....	\$221,410	\$218,485
Other Expenses .....	\$297,010	\$334,113
<b>Total Expenses .....</b>	<b>\$11,557,958</b>	<b>\$11,642,260</b>

Dividends Paid .....	\$2,084,615	\$1,827,919
Increase To Equity .....	\$4,359,706	\$5,220,318
<b>Total Distribution of Income .....</b>	<b>\$18,002,279</b>	<b>\$18,690,497</b>

## FINANCIAL NOTES

Contingency Commitments For All Loans .....	\$70,355,010	\$57,671,914
Business Loans/Participations .....	\$5,735,894	\$7,448,040
Fair Value of Securities Held to Maturity .....	\$41,870,564	\$27,295,184





## KEY OPERATING HIGHLIGHTS OF 2020

★ **Asset growth of \$70,767,422**

22.92% growth compared to our peer's growth of 16.91%

★ **Savings growth of \$65,737,357**

23.95% growth compared to our peer's growth of 18.82%

★ **Loan growth of \$16,860,941**

9.02% growth compared to our peer's growth of 3.71%

★ **Net new membership growth 1,153**

3.56% growth compared to our peer's growth of 0.79%

★ **Reserves growth of \$4,359,706**

13.87% growth compared to our peer's growth of 5.65%



## GPO MAKES A DIFFERENCE

"I have been a member of GPO for over 30 years. My experiences has been very professional at all branches. Thank you for the great service and friendly staff. They make my day!"

**-Shelly B., Utica, NY**



"Entire staff at GPO Federal Credit Union is always friendly, eager to help, and accommodating. They make banking easy."

**-Kelly C., Ilion, NY**

"Could not ask for a more supportive and great team to work with. Been a GPO member from the very beginning."

**-Anne Marie E., Remsen, NY**

"Always friendly, helpful and all have been amazing through all the COVID-19 changes I couldn't ask for better service!"

**-Jennifer B., Dolgeville, NY**

"As a GPO member for multiple years in New Hartford, the service has always been fantastic. I moved to Barneveld and was so happy to see GPO located in Barneveld. Service is great as always!"

**-Candace C., Barneveld, NY**

"Service is prompt and the people are very helpful. Great financial institution."

**-Myron T., Oneida, NY**



## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is appointed by the Board of Directors to represent GPO members. In this capacity, the committee attends board meetings, meets with our Federal regulatory examiners from the National Credit Union Administration, conducts internal audits, reviews internal controls and hires an independent firm to conduct regular audits of the credit union.

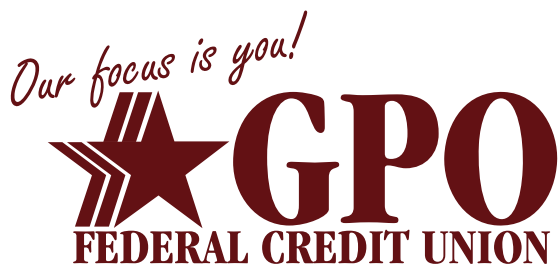
The Supervisory Committee, in conjunction with our internal auditor, completed a comprehensive scope and review of the credit union's operations. No major areas of concern were found. The NCUA conducted their last exam of the credit union in the second quarter of 2020 with no significant findings. Based on our 18-month auditing schedule, our next audit will occur in the third quarter of 2021.

In addition, our 2020 independent CPA audit was performed. The findings indicated that GPO's financial statements are presented fairly and in all material respects, the financial position of the credit union and its operations are in conformity and are within generally accepted accounting principles.

We appreciate the opportunity to be of service to GPO members and commend management, staff and the Board of Directors for a job well done during a year of unprecedented events.

Respectfully submitted,  
***GPO's Supervisory Committee, Allan Cornell***





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