

The

future

is

Bright

2014 Annual Report





A Message from the President & Chief Executive Officer



For over 76 years, GFA has provided trusted local financial services to our communities—helping members and small businesses achieve their financial dreams and goals. Since the economic downturn that began in 2008, consumers and businesses have been challenged. Unemployment rose to unprecedented levels, squeezing the pockets of many. Businesses have had to streamline their operations, gain efficiencies and sometimes curtail their investments in research and development. While the economy isn't as robust as we would like—we can see the sun on the horizon. It has continued to shine brightly on your Credit Union ensuring a financially strong and well positioned financial institution.

For your credit union, we are proud to state that we have not only survived this economic cycle, we have thrived. Over the last several years, we have increased our branch footprint, assets have risen from \$345 million in 2011 to \$423 million today. We continue to experience asset growth that is equivalent to the industry average and our members identify us as their premier choice for Better Banking. We continue to shine as a stronger, safer financial institution as we remain well capitalized at more than eleven percent;

well above the regulatory requirement of seven percent. The increasing capital ratio and asset growth continues to certify the safety and strength of your credit union, ultimately helping members achieve diverse and personalized financial goals.

A testament to your GFA team helping members achieve their financial dreams is our overall membership growth. In a four year timeframe, consumers have realized the value of Better Banking as membership has grown from 20,000 to 29,000 members strong. It is our privilege to serve you all! Our mission remains our priority. We strive to provide value to our Membership and serve as a trusted financial solutions partner while remaining invested in our communities.

As a Member of GFA, you are investing in our mutual success. The trust you have granted us, means much for our communities. At a time where the economic downturn caused other lenders to curtail their lending, GFA has been able to support many dreams, granting \$18.8 million in real estate loans, helping families purchase new homes. Additionally, we help families with home improvements, purchase new vehicles, attend college, start new businesses and find solutions for personalized needs. Through member, business and home equity lines of credit we helped many more, lending 62 percent more in all lines of credit over the previous year. To the GFA team, you are not an account number, you are an owner of a cooperative system. We strive to wholly understand our membership goals, develop real solutions and deliver a personalized Member experience. To that standard, GFA continues to add services such as our Lease-Like Lending Auto program, enhance product offers like our 1% Auto loan cash back and improve your access to our services by way of our enhanced virtual branch.

We are also committed to focusing on Small Member Business Lending using the SBA Guaranty Preferred Lender program. By doing so, we provided financing for "start up" and small business in our communities.

Passionate about staying ahead of your needs, in 2014, we invested in technology to bring you a robust virtual branch platform with the highest levels of security, ease of use and access to your diverse banking needs. Your access to GFA via mobile or online banking is now a single sign on user experience. Through online banking, you can now activate and deactivate your debit card, set up travel alerts, customize your screen and manage your finances whenever, wherever. We also enhanced the home buying process with the launch of a 24/7 online mortgage application solution and provided a better website experience with the launch of the newly designed gfafcu.com. We look forward to bringing mobile deposit and a 24/7 consumer lending solution in 2015.

Our improvements and additional services have been able to happen at a time where the economic downturn and extraordinarily low interest rate environment has squeezed all financial institutions. The challenge of increasing technology and regulatory compliance costs are successfully managed at GFA through efficiency in operations and expense control.

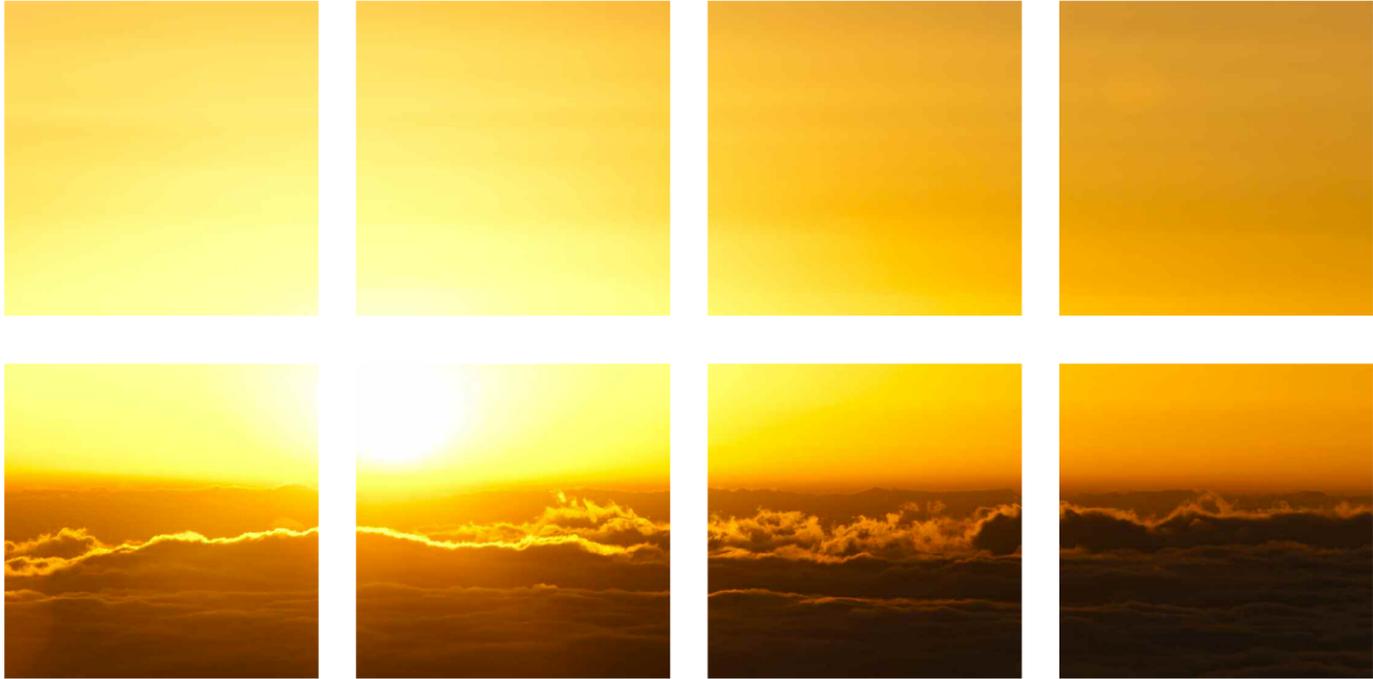
Our core part of our mission is to remain invested in the communities we serve. To honor our commitment, the GFA team walked, hosted a toy drive, volunteered at numerous community events, and taught financial literacy to more than 50 classrooms. In 2014, we launched our financial literacy

partnership with the Greater Peterborough Chamber of Commerce and the ConVal Regional High School, helping provide budget management and financial decision making tools to more than 160 students. In addition to donating time and talent, your Credit Union donated more than \$55,000 to our communities in 2014.

In today's environment, Members expect personalized service, immediate access to banking needs and expert advice. From serving Members in Southern New Hampshire to Central Massachusetts, GFA is proud to serve our longstanding legacy Members, Business Members, and Members new to the Credit Union. We emphatically believe we are here because of and for our Members. Together, we can provide rays of sunshine on an improving economy, helping make financial and life dreams a reality one Member at a time.

Sincerely,

 Tina M. Sbrega
 President & Chief Executive Officer





Dear Members,

As Chief Governance Officer, I have the pleasure to not only reflect on 2014's success but also share our success story with You, our owners.

Each year, the Credit Union operates in accordance with a thoughtfully considered strategic plan and budget. As Chief Governance Officer, I have an even greater appreciation for the many working intricacies to serve your Better Banking needs. The exceptional quality of people and sound business approach consistently allows your Credit Union to exceed expectations. At a time where many institutions have been scaling back, GFA continues to excel and advance. For the ninth consecutive year, Members rated GFA's service above 90 percent. We remain strong with our capital position well above regulatory requirements.

Ensuring your most valuable information is protected, we continue to be safe, sound and secure. Our data security

exceeds industry standards. Our team works to prevent fraud daily from a telephone call for suspicious activity to providing updates on the latest national alerts. Security remains a priority.

The commitment to serving You is at every level of the organization and remains a key ingredient to our success. Behind the familiar faces serving Members in branches and the leadership volunteering in the greater community, there are fellow Members volunteering their time, expertise and talent to shaping your Credit Union's long term vision. We proudly focus on our Membership and make decisions to support your best interest, not that of Stockholders. Behind our success story is a strong team of dedicated volunteers, and uncompensated talent; to our Board of Directors, Supervisory Committee, Advisory Groups and Student Advisory Board, I thank you.

For the past 25 years I have been a proud Member of GFA, and after serving as Chief Governance Officer for the past two years, I am an even prouder member today. On behalf of the Board of Directors, we thank you for allowing us to provide Better Banking. We invite your friends, family and neighbors to become part of a true cooperative.

Sincerely,

Douglas R. Delay
Chief Governance Officer



2014 Credit Union Highlights

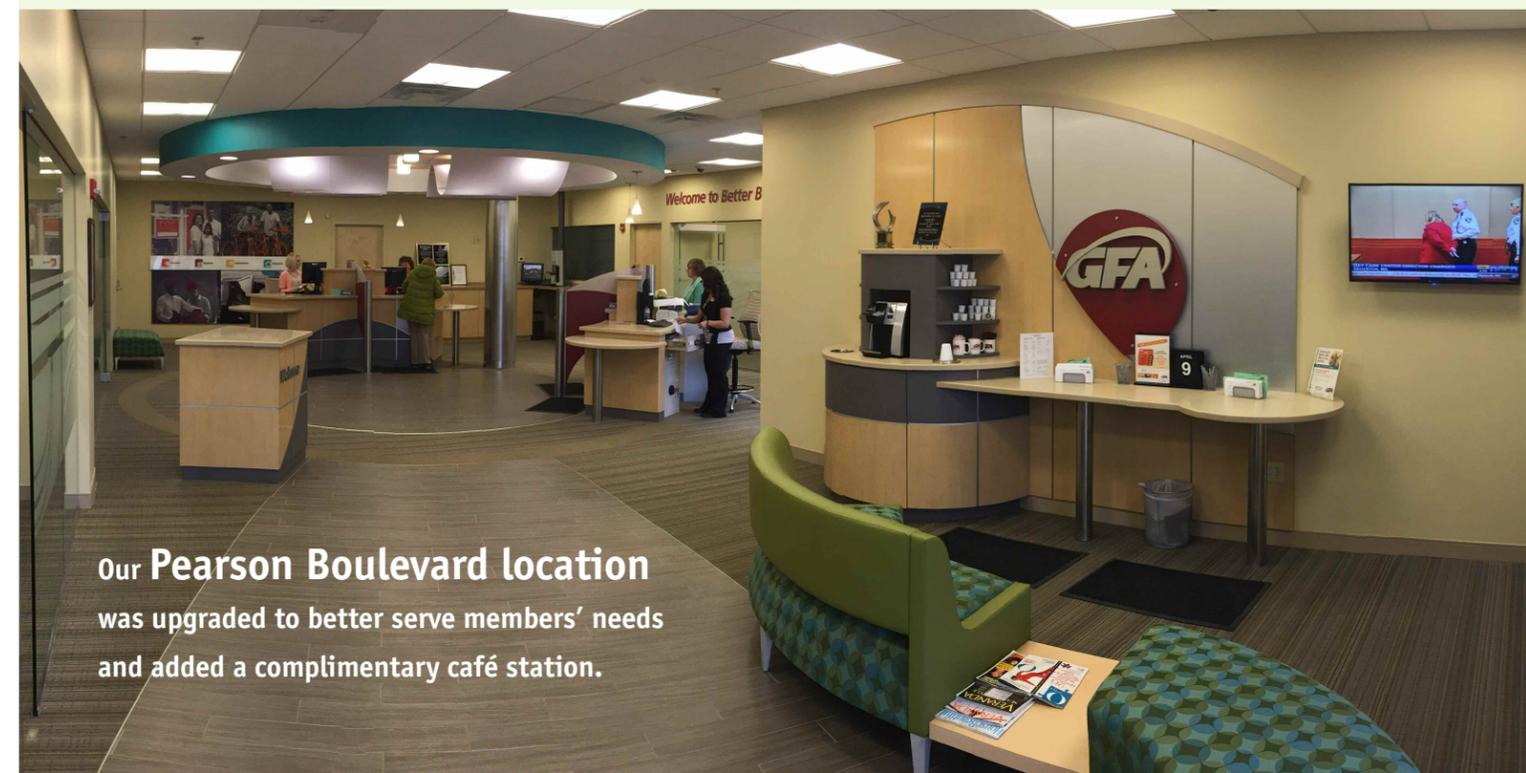
We were recognized by Banker and Tradesman as a **Top Mortgage Lender in 2014**. The Credit Union launched a 24/7 online home loan application solution so our Members can apply for a mortgage anytime, anywhere.

GFA Financial Group grew to **\$75 million in assets** under management and **ranked 19th out of 700** for Individual Advisory Production by LPL Financial.

Members saved an average of **\$528 on auto and home owners insurance** through GFA Insurance Services, LLC.



GFA **Online Banking and GFA Mobile**, providing enhanced user access. The platform now serves one third of our members and provides 24/7 access to GFA accounts and bill pay.



our **Pearson Boulevard location** was upgraded to better serve members' needs and added a complimentary café station.

Innovation & Service



GFA Federal Credit Union and Cleghorn Neighborhood Center Partner for Citizenship Course and Citizen Loan Program

To meet a unique community need, GFA partnered with Cleghorn Neighborhood Center to teach future citizens money management and savings. The eight week program is comprised of individuals who are now ready to go through the process of becoming a U.S. Citizen. GFA offers microloans to pay for the \$680 US Citizenship test fee.



WeShare Savings!

Many of our Members have two key financial objectives, save money as well as help others. GFA created the WeShare Savings Account, where Members can elect to donate earned interest to a non-profit charitable organization of choice.

Small Business Lending

As an SBA preferred lender, and noticing a need for small business entrepreneurs, the Credit Union partnered with the US Small Business Administration and NH Small Business Development Center to provide an education program about starting a business that lasts and financing a business. We want to be your financial partner!



Rachel O'Leary, Vice President/Business Development and Paulo DeOliveira, Vice President/Business Development.

Financials

GFA Federal Credit Union and Subsidiary Consolidated Balance Sheets (audited) December 31

	2014	2013
Assets		
Cash and interest bearing deposits due from banks	\$6,869,724	\$5,346,400
Federal funds sold	7,599,810	3,939,679
Total cash and cash equivalents	\$14,469,534	\$9,286,079
Certificates of deposit	5,756,000	7,060,000
Investment securities		
Available-for-sale, at fair value	174,601,561	174,861,476
Held-to-maturity, at amortized cost	638,093	527,838
Loans receivable, net	206,390,805	196,401,395
Accrued interest receivable	1,172,647	1,318,986
Other real-estate owned	291,829	365,378
Premises and equipment, net	6,852,311	6,240,057
NCUSIF deposit	3,038,957	3,049,455
EasCorp membership deposits	169,133	169,133
FHLB stock, restricted, at cost	4,225,400	4,225,400
Prepaid expenses and other assets	565,339	1,031,646
Goodwill	5,187,137	5,187,137
	\$423,358,746	\$409,723,980
Liabilities and Members' Equity		
Members' shares and savings accounts	\$318,006,684	\$312,445,933
Mortgagors' escrow accounts	832,706	785,179
Borrowed funds	56,471,246	55,048,289
Other liabilities	2,604,855	2,605,421
Total liabilities	\$377,915,491	\$370,884,822
Commitments and contingencies		
Members' Equity - Substantially Restricted		
Unappropriated earnings	42,328,889	40,064,204
Regular reserves	3,853,115	3,853,115
Accumulated other comprehensive income	(738,749)	(5,078,161)
	45,443,255	38,839,158
	\$423,358,746	\$409,723,980

For a copy of our full financial statement, please contact: David C. Bojarczuk, Executive Vice President/ Chief Financial Officer
GFA Federal Credit Union | 229 Parker Street, Gardner, MA 01440 | (978) 632-2542 or email dbojarczuk@gfafcu.com

Community Collaboration

From the Board of Directors, to the Supervisory Committee, Regional Advisory groups, to the entire team, GFA upholds a shared vision of making a difference in serving the communities our Members live and work. GFA has remained involved in our communities through volunteerism, financial donations, and civic engagement. In 2014, we contributed to more than 70 local organizations. This past year we added a fourth way to contribute to our communities through partnership banking programs.

Personalized Debit Card Affinity Program

Through the Credit Union's Personalized Debit Cards, an affinity card program was added to support Gardner High School and the Montachusett Veterans Outreach Center. Created by the GFA Student Advisory Board, a purchase of the Wildcat Pride, athletics, music or building design will mean a \$2 donation per card to Gardner High School. The Montachusett Veterans Outreach Center card, like the GHS cards, will provide a \$2 donation per card ordered to Montachusett Veterans Outreach Center.

Gardner High School



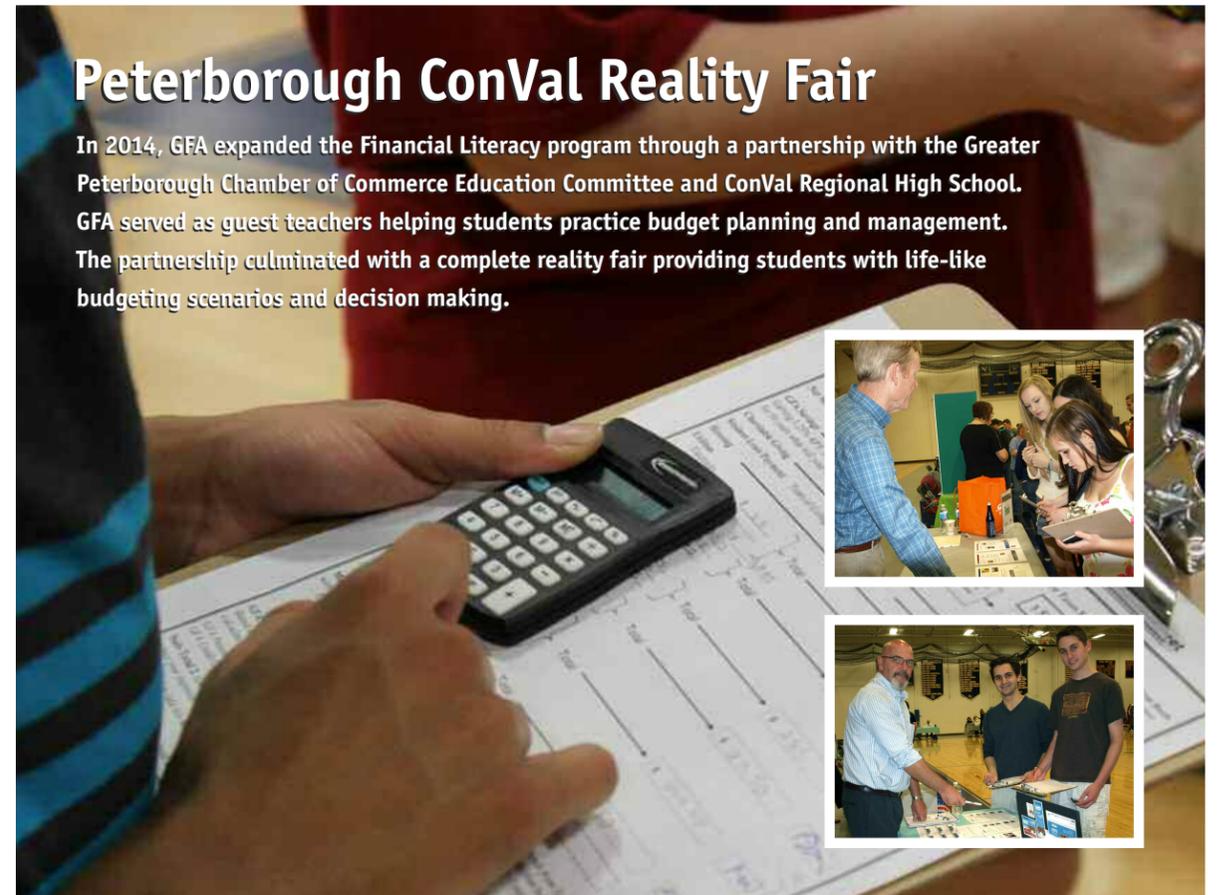
Montachusett Veterans Outreach Center



GFA's Student Advisory Board Members
 Front row: Kendra Keenan, Ava Cormier, Skyla Johnson, Jackie Nicholson. Middle row: Hans Rosin, Troy Yacyshyn, Ben Caron. Back row: Aaron Hebert, Kyle Weidler, Christoph Knoll, David Belitsky, Johnathan Chipman. Not pictured: Navin Sundaramurthy and Michael Sadowski.

Peterborough ConVal Reality Fair

In 2014, GFA expanded the Financial Literacy program through a partnership with the Greater Peterborough Chamber of Commerce Education Committee and ConVal Regional High School. GFA served as guest teachers helping students practice budget planning and management. The partnership culminated with a complete reality fair providing students with life-like budgeting scenarios and decision making.



Community Support

GFA Federal Credit Union continued its community contributions mission through nearly \$60,000 in donations to various organizations in our communities. Pictured right is our \$15,000 donation to the Wendell P. Clark YMCA's The Promise for Tomorrow Capital Campaign.



From left, first row, are Michael Quinn, Executive Director of the Clark Memorial YMCA; Marie Urquhart, YMCA Board Member and Tina Sbrega, GFA President and Chief Executive Officer. Second row, Edmond Perry, Assistant Vice President/Branch Manager, GFA; Ernest P. 'Bud' Fletcher, YMCA Board Member; Christian Orobello, YMCA Board Member and Darlene Rossi, YMCA Board Member.

2014 Board of Directors



Douglas R. Delay,
Chief Governance Officer



Gerald L. Bankowski, CPA,
Vice Chairman



Andrew N. Boucher,
Secretary



Charles P. Bowles



Omer J. Cormier



Allen T. Goguen



Mayor Mark P. Hawke



Michael T. Horrigan



Tina M. Sbrega,
President & Chief Executive Officer



SUPERVISORY COMMITTEE

Dr. Daniel M. Asquino, Wendy Wiiks, James O. Garrison, Chairman, Elaine T. Fluet, JoAnne Parks.

In memory of Albert Gingras, a member of GFA's Supervisory Committee. We will remember his humor and compassion. We cherish his strong support and dedication to GFA.



EXECUTIVE TEAM

Paul E. Fitzpatrick, Senior Vice President/GFA Financial Group; David C. Bojarczuk, Executive Vice President/Chief Financial Officer; Tina M. Sbrega, President and Chief Executive Officer; James J. Monette, Senior Vice President/Chief Innovation Officer; Joan E. Moran, Senior Vice President/Chief Lending Officer; Linda J. Carmichael, Senior Vice President/Enterprise Risk Management Officer.



BRANCH MANAGEMENT TEAM

Front: Rachel Theriault, Branch Manager, Hubbardston; Heidi Williams, Branch Manager, Rutland; Tammy Garcia, Branch Manager, Pearson Blvd-Gardner; Mary Boodie, Branch Manager, Winchendon; Back: Nicole Vassallo, Vice President/Member Engagement; Kelly Sevigny, Branch Manager, Ashburnham; Carrie Monk, Branch Manager, Leominster; Lynn Hebert, Assistant Vice President/Branch Manager, Peterborough; Edmond Perry, Assistant Vice President/Branch Manager-Parker Street, Gardner

ADVISORY GROUPS

Ashburnham Advisory Group

Joanne Catlin
Stan Herriott
Joseph McPeak
Ronald Newman

Fitchburg/Leominster Advisory Group

Leonard Croteau
Peter Lahtinen
Richard Leger
Stephen Masiello

Hubbardston/Rutland Advisory Group

Ed Blanchard
Michael Caruso
Joyce Green
Brian Stidsen

Monadnock Advisory Group

Laura Gingras
Samuel Hackler
Timothy Kolk
Thomas LaFortune
Barbara Miller
Edward Shea



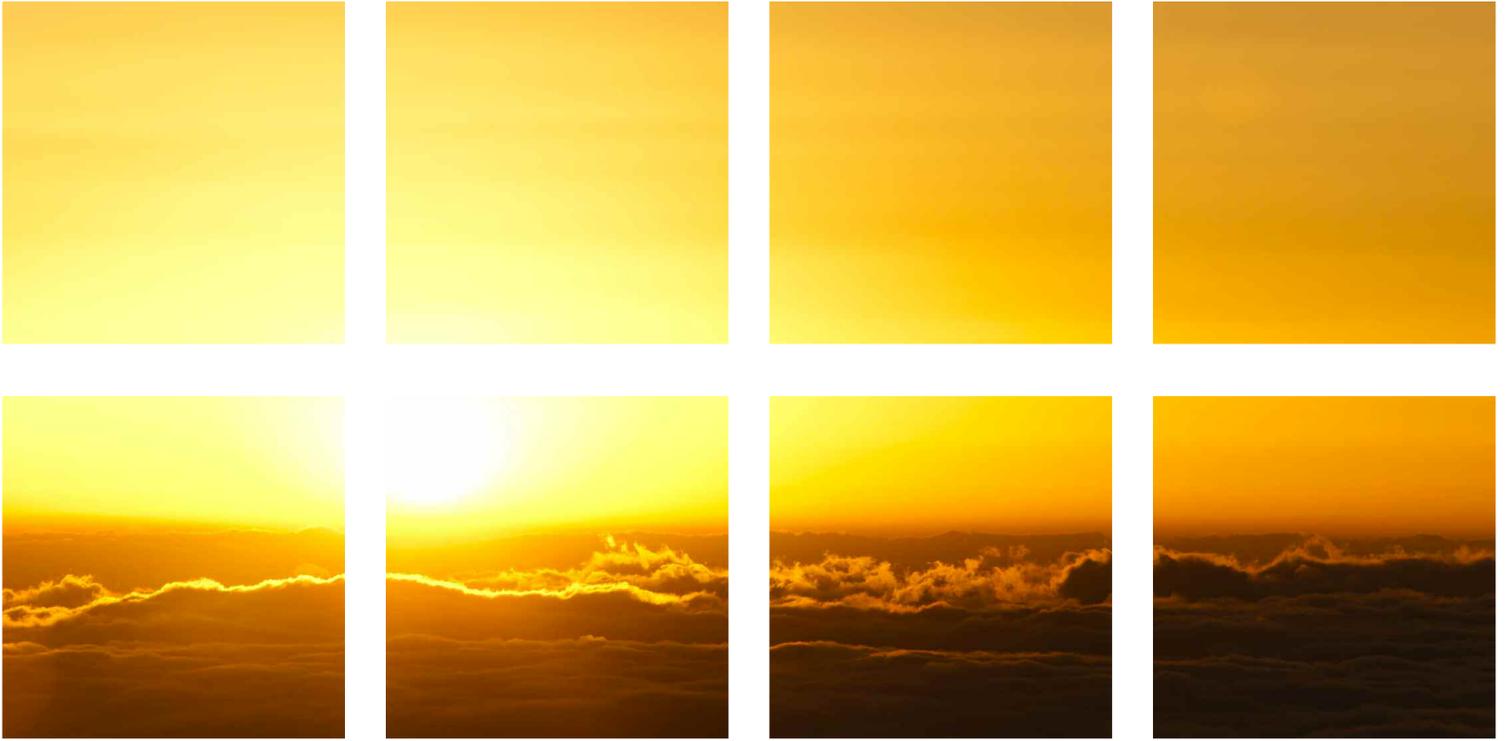
Celebrate Your Membership
*invite your friends, family and neighbors
to join GFA today!*

Our Mission

To earn the trusted position as your financial solutions partner...

for all life's occasions,

while remaining invested in our communities.



Personal



Business



Investments



Insurance



978-632-2542 | gfafcu.com 

Ashburnham | Gardner | Hubbardston | Leominster | Peterborough
Rindge | Rutland | Winchendon

