

Vermont Federal Credit Union Annual Report | 2022

WELCOME TO VERMONT'S CREDIT UNION

**Everything you
love about living here is
now available in a
Credit Union.**

You chose to live here because you love this unique state. And, so do we! That's why we work to exceed expectations in order to deliver the kind of banking that every Vermonter deserves.

We offer a better way of banking because we are immersed in the community, feature the latest in technology, offer innovative products and services, and provide easy access to all of your accounts.

We're fellow Vermonters. Foodies. Go-getters. Volunteers. We love the great outdoors, frequenting local restaurants, and spending time with family and friends. We know what it's like to buy your first house, refinance a car, make student loan payments, and welcome your first child. That's why we want to do our part to make these important moments better by providing high quality customer service and helpful products and services.

When it comes down to it, we're more than a place to keep your money because you're more than a mere account number. You are an integral part of the community, and it's our job to do whatever we can to help Vermonters thrive. Because when the community does well, we all do well.



CHAIR & PRESIDENT/CEO REPORT

Vermont Federal Credit Union traces its roots back to 1953, when it was established as the Burlington Postal Employees Credit Union. In the past year, we proudly celebrated our 69th anniversary, and we are thrilled to announce that 2022 was a remarkable year of continuous growth and progress for Vermont Federal Credit Union. With our membership surpassing 50,000 in 2022, we can confidently affirm that our Credit Union is uniquely positioned to positively impact the financial well-being of our valued members for many years ahead.

We were thrilled to announce the highly anticipated Grand Opening of Vermont Federal Credit Union's new Corporate Campus and State-of-the-Art Branch at 275 Kennedy Drive in South Burlington, Vermont. This momentous occasion marks a significant milestone in our organization's history, representing our continued commitment to serving our members and the community with improved member access and enhanced financial services. The new branch sets a new standard for banking in Vermont, boasting cutting-edge technology, a warm and welcoming ambiance, and a seamless digital banking experience. We have also invested significantly in creating a collaborative and personalized member experience throughout our entire branch network. Our knowledgeable staff stands ready to assist members with their financial inquiries, offering tailored solutions to meet the member on their financial journey. As we celebrated this occasion, we recognize that our success is intrinsically tied to the support of the community. To express our gratitude and demonstrate our ongoing commitment to the members we serve, we organized a series of events such as the Grand Opening, a Member Event and special products to celebrate this achievement. The Grand Opening of 275 Kennedy Drive marks not only the beginning of a new chapter for Vermont Federal Credit Union but also the continuation of our legacy of trust and service to all Vermonters.

At our Credit Union, inclusivity is at the heart of everything we do. We are dedicated to assisting all Vermonters by offering outstanding member service, a diverse range of financial products, and an unparalleled level of empathy and understanding that sets our Credit Union apart.

As a local Credit Union, we are deeply committed to being an integral part of the towns and communities we serve. It is ingrained in our values to support our members' financial well-being and contribute to the betterment of our shared

communities. We actively participated in various volunteer and fundraising events, and proudly contributed over \$150,000 in sponsorships and charitable donations to support numerous community organizations in Vermont.

On Giving Tuesday, our Charitable Giving Committee generously donated \$20,000 to Spectrum Youth and Family Services, Enosburg Food Shelf, HOPE Holiday Shop, Addison County Parent Child Center, Pride Center of Vermont, Jenna's Promise and the Franklin County Humane Society. Through our engagement on social media platforms, we collaborated with the community to vote for organizations that would have the most significant impact. The community's choices were the Vermont Children's Museum, Vermont Adaptive Ski & Sports and the Lamoille Community House. Furthermore, we fostered strong relationships with key community partners such as the City Market Food Cooperative, Camp-Ta-Kum-Ta, Spectrum Youth and Family Services, Make-A-Wish Foundation Vermont, Lund Family Center, and The Burlington Boys and Girls Club.

Our dedication to Vermont and our unwavering support for our members has not gone unnoticed in the communities we serve. We were honored to receive the prestigious Best in Business Award (BOB) from Vermont Business Magazine, recognizing us as a top Credit Union in the state. In addition, we were proud recipients of the Best Credit Union designation for Chittenden County. Furthermore, we were honored with the Raddon 2022 Crystal Performance Award, a prestigious recognition bestowed upon 21 Credit Unions nationwide, segmented by those under or over \$1 billion in assets. Vermont Federal Credit Union was among the top 3% of Credit Unions whose results and metrics were analyzed by Raddon. This award is a testament to our exceptional performance in service, member relationships,

sales and financial soundness.

The Vermont Housing Finance Agency (VHFA) acknowledged Vermont Federal Credit Union as a Top performer, while Member XP presented us with the prestigious 2022 Best of the Best Award. These esteemed organizations evaluate Credit Unions nationwide, prioritizing member feedback to determine excellence and achievement. Our Credit Union stands out as one of the best in the nation. We have been awarded the prestigious #1 ranking in Vermont by the esteemed independent research group Callahan & Associates. This recognition is a testament to the immense value we provide our members each year through competitive deposit rates, favorable loan rates, and minimal service fees.

Vermont Federal Credit Union experienced tremendous growth and success in 2022. Our assets increased by an impressive \$74.7 million (8.55%), member deposits rose by \$43.2 million (5.45%), and our Credit Union membership grew by 5.70%, reaching 50,128 members.

2022 was truly a year of transformation for Vermont Federal Credit Union, and we are proud of the unwavering commitment and dedication of our team. As Vermonters, we take immense pride in serving our "Brave Little State" and fellow Vermonters. We are fully committed to continuing our success in 2023 and beyond. On behalf of our entire staff, volunteers, and Board of Directors, we extend our heartfelt gratitude for your membership, and we are eager to continue serving your needs and exceeding your expectations in the future.



JEAN GIARD
President/CEO



MEGAN MANAHAN BLISS
Board Chair

WHAT WE ACCOMPLISHED WITH YOUR HELP

MemberXP 2022 Best of the Best Award

The coveted Best of the Best award is given annually to Credit Unions that consistently provide exceptional service, as reported by their own members. Only the highest-performing credit unions using the MemberXP platform are given this honor.

Governor's Excellence in Workplace Wellness Award

Governor Phil Scott has recognized the Credit Union's exceptional worksite wellness initiatives, applauding Vermont Federal Credit Union for our dedication to increasing productivity, fostering a healthy environment, and enhancing employee wellbeing.

Vermont Business Magazine - Best Credit Union

We received the 2022 Best of Business Award for the Best Credit Union in Chittenden County by Vermont Business Magazine readers.

Top Performer for VHFA

We were recognized as a leading performer for the Vermont Housing Finance Agency (VHFA). This ranking is a testament to our dedication and commitment to providing affordable housing solutions to the residents of Vermont.

Crystal Performance Award Winner

Vermont Federal Credit Union has been honored with the prestigious Crystal Performance Award by Raddon®. This esteemed recognition is a result of a comprehensive analysis of key performance metrics, with a strong emphasis on exceptional service, member relationships, sales, and various other areas. Out of over 500 credit unions evaluated nationwide, Vermont Federal Credit Union was one of 21 credit unions selected for this prestigious award.

50,000 Members Strong

In 2022, we achieved a momentous feat by surpassing the remarkable milestone of 50,000 valued Members. We stand by the side of each one of them, ready to provide unparalleled products and services.



2022 HIGHLIGHTS

We helped a lot of members!

Our valued members are the heartbeat of our Credit Union and we're privileged to have supported thousands of members in achieving their financial aspirations throughout 2022.

From fulfilling the dream of owning a new home, embarking on a fresh entrepreneurial journey, or driving away in a brand-new car, we took immense pride in being there for our members every step of the way in 2022.

353

Members purchased or refinanced their homes in 2022, resulting in \$76 million in total mortgage loans.

2,325

Members purchased a new or pre-owned vehicle in 2022, resulting in \$66 million in total auto loans.

57

Commercial Loans were provided to Business Members in 2022, resulting in \$27 million in total Commercial Loans.

25,635

Reward Checking accounts were active at the end of 2022 with a total balance of \$196 million.

11,662

Deposit accounts were opened in 2022.

443

Home Equity Line of Credit (HELOC) accounts were originated in 2022 that resulted in a total credit limit of \$37 million.

1,062

Credit cards were originated in 2022 resulting in a total credit limit of \$7 million.

31,488

Members were utilizing our Online Banking platforms at the end of 2022.

MORE BRANCHES, MORE WAYS SERVE OUR MEMBERS

We opened our eighth branch location and new corporate campus at 275 Kennedy Drive in South Burlington, VT. This new facility improves the convenience and accessibility of our branches for more members and underscores our commitment to supporting the many residents, businesses, and community organizations that make South Burlington and the surrounding communities a vibrant and thriving place to live and work.

GIVING YOU THE TOOLS TO MANAGE SPENDING

We've introduced many enhancements to our credit and debit card products, including support for contactless payments, digital wallets, and real-time alerts and controls. We also upgraded our credit card rewards program by introducing new features and a rich benefits package to our Visa Signature Rewards credit card.

CANNABIS BANKING

We began offering financial services to support cannabis-based businesses. Since then, Vermont Federal Credit Union has become a go-to resource and one of the few financial institutions in Vermont to meet the needs of this community.

A HOME FOR ALL VERMONTERS

We partnered with the Vermont Housing and Finance Agency (VHFA) to offer grant assistance to first-generation homebuyers. We also significantly upgraded our mortgage technology to create a best-in-class experience that streamlines the mortgage process for our borrowers.

ACCESSING YOUR ACCOUNTS FROM ANYWHERE

We made some major improvements to our Online Banking portal in order to continue providing excellent service to members across the state. As more and more individuals utilize digital banking services for everyday transactions, it is essential to introduce state-of-the-art technology to remain competitive in the market. We were also recognized with the Best Online Banking Experience - Mobile Banking App Experience, by MemberXP, a leading customer experience program offered through CU Solutions Group.

PRODUCTS & SERVICES

In our relentless pursuit of excellence, we continuously evaluate and refine our products and services to provide our members an unparalleled experience. Throughout 2022, we implemented numerous enhancements and initiatives to cater to the evolving needs of our members. Moreover, we have expanded our service capabilities, empowering our members to conveniently bank anywhere they desire.

COMMUNITY IMPACT & SPONSORSHIPS

At the core of our mission lies the vital connection we establish with our fellow Vermonters. Our commitment to actively engage in our communities defines our identity and shapes our actions.

At Vermont Federal Credit Union, we are committed to positively impacting the communities we serve. We strive to give back to Vermont organizations by actively participating in local charities, community events, and supporting Vermonters with higher education aspirations. We give back to Vermont-based organizations, which ensures resources are reinvested within the state.

In 2022, we contributed over \$150,000 to various community organizations such as Make-A-Wish, Spectrum Youth and Family Services, Camp-Ta-Kum-Ta, and the Vermont Foodbank. What truly sets Vermont Federal Credit Union apart is the extraordinary generosity of our dedicated employees. By supporting 45 local charitable organizations, we played a crucial role in helping them achieve their missions. We are incredibly grateful for the opportunity to actively participate in and support these admirable causes. We eagerly anticipate providing ongoing assistance for more Vermont-focused needs in the upcoming year.





50,128
Members Strong



\$222 MILLION +
Loans Originated



50+
Community Events
Attended



\$150,000
Given to Community
Organizations.



45
Organizations
Supported

**TOP
MORTGAGE
PERFORMER**

VHFA

2022



\$3.7 MILLION
Given Back In
Dividends



\$20,000
In Scholarships
for Students



5,871
Likes On
Facebook



353
Members Purchased
A Home



\$358,000
Given Back In ATM
Fees

SCHOLARSHIPS

In 2022, we proudly awarded \$20,000 in scholarships to well-deserving students throughout our beloved state. Not only do we extend Vermont Federal Credit Union scholarships to five remarkable individuals within our community, but we have also forged powerful alliances with Spectrum Youth and Family Services and The National Guard Association of Vermont, to lend our full support to their exceptional scholarship programs.

These partnerships enable us to make an even greater impact on the lives of deserving students, expanding our reach and providing more opportunities for educational growth. Together, we are building a brighter future for our state and creating a legacy of educational excellence.



SPECTRUM YOUTH AND FAMILY SERVICES

Through our partnership with Spectrum Youth and Family Services, we had the incredible opportunity to make a difference in the lives of at-risk youth. We awarded \$8,000 in scholarships to the Spectrum team so they could help local youth achieve their dreams of attending higher education courses.



NATIONAL GUARD ASSOCIATION OF VERMONT

We partnered with the National Guard Association of Vermont (NGA-VT) to award \$1,000 scholarships to two students whose family members serve in the Vermont National Guard, helping them gain access to high-quality education.



VANESSA LANG

Vanessa will be attending Norwich University to study Nursing.



ABBY PAQUETTE

Abby will be attending Louisiana State University to study Construction Management.



NORZIN MENTSANG

Norzin will be attending Middlebury College with the intent of double majoring in Economics and Studio Art.



JADYN WALENT

Jadyn will be attending Clarkson University to study Aerospace Engineering.



RYAN ANDERSON

Ryan will be attending the University of Vermont to study Business Administration.

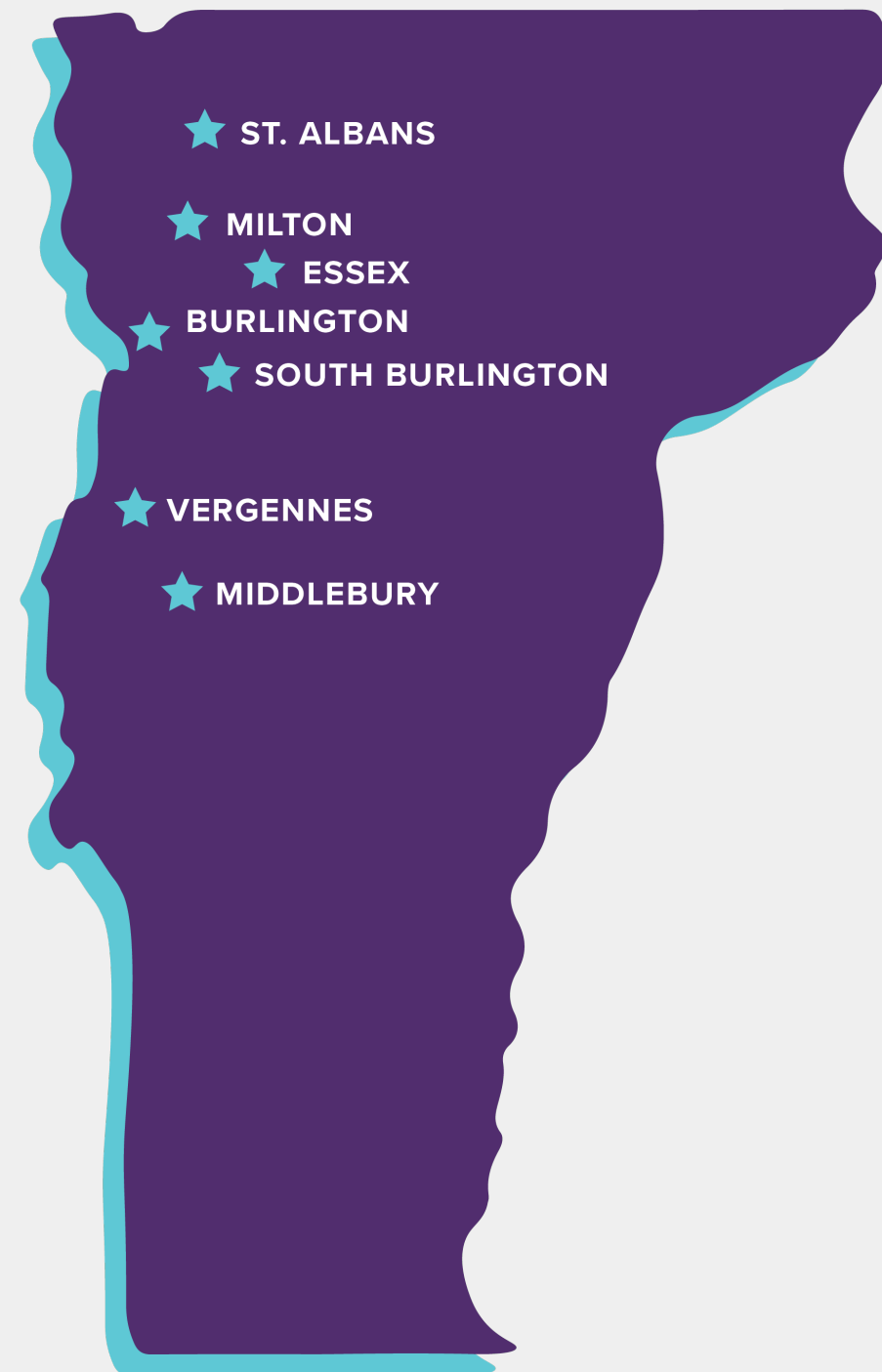
**Congratulations
to all of our scholarship
recipients!**

PROUDLY SERVING ALL VERMONTERS

We are proud to serve the entire state of Vermont and believe that our purpose is to help Vermonters prosper, no matter where they may be on life's journey.

While we work to expand our physical footprint, our robust digital banking resources allow us to reach members in far corners of the state without nearby access to a branch.

Additionally, our members can access their Vermont Federal Credit Union accounts and perform transactions through Shared Branching at thousands of Credit Unions across the United States.



SUPERVISORY COMMITTEE AUDIT REPORT

The audit for Vermont Federal Credit Union for the period ending on March 31, 2022 was conducted by Crowe LLP, our external auditors.

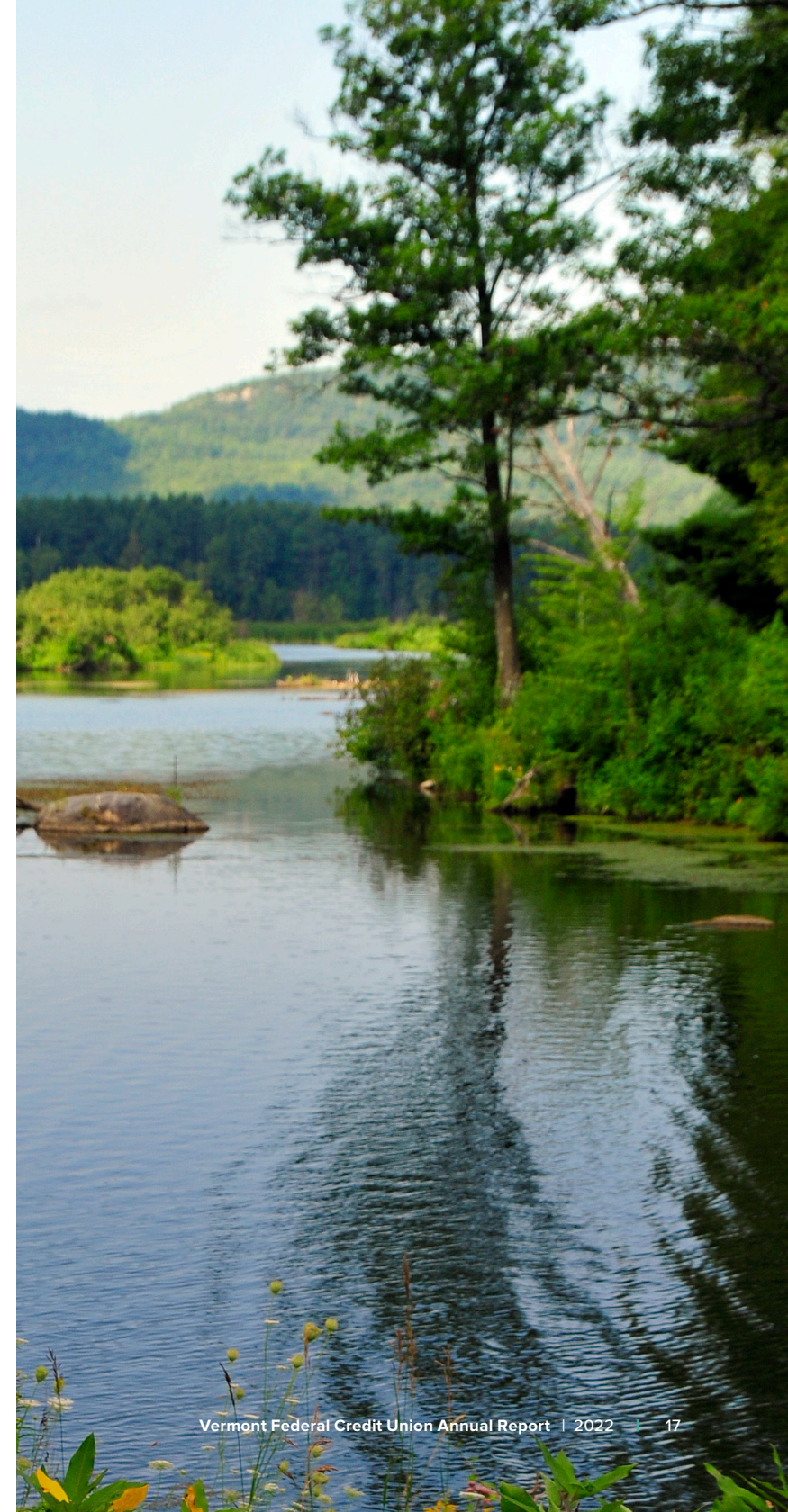
The independent auditor's examination is authorized by the Supervisory Committee in compliance with the National Credit Union Administration's Rules and Regulations regarding the requirement of annual examination. It is the opinion of the Supervisory Committee that the financial statements presented to you by the Credit Union's management team fairly reflect, in all material respects, the financial position of the Credit Union as of March 31, 2022 and March 31, 2021.

BOARD OF DIRECTORS

MEGAN MANAHAN BLISS <i>Chair</i>	WILL VOIGT <i>Vice Chair</i>	JOSEPH FINNIGAN <i>Treasurer</i>
ETHAN HUTCHINS <i>Secretary</i>	LISA REES <i>Director</i>	PAUL POLITANO <i>Director</i>
NEAL ROBINSON <i>Director</i>	EMILY BYRNE <i>Director</i>	MICHAEL COSTA <i>Director</i>

SUPERVISORY COMMITTEE

LOUISE THABAULT <i>Chair</i>	DONALD TURNER <i>Member</i>	PAULETTE BERGERON <i>Member</i>
JASON PLAZA <i>Member</i>		



2022 FINANCIALS

We are thrilled to report that we had an outstanding year financially, exceeding all expectations. By staying dedicated and embracing innovation, we were able to seize new opportunities and expand our product offerings. With this impressive financial performance in 2022, we are confident we can continue growing and achieving future success.

FINANCIAL CONDITION STATEMENT

As of December 31, 2022 and 2021 *(Rounded to the nearest thousands)*

ASSETS	2022 <i>(Unaudited)</i>	2021 <i>(Unaudited)</i>
Cash and Cash Equivalents	\$55,350	\$54,000
Investments:		
• Available for Sale	191,865	178,127
• Other	11,258	13,785
Loans Held for Sale	1,364	847
Loans to Members, Net Allowance for Loan Losses	653,151	595,698
Property and Equipment	20,059	17,819
Other Assets	14,546	12,647
Total Assets	\$947,593	\$872,923

LIABILITIES & MEMBERS' EQUITY

Members' Shares	\$836,801	\$793,560
Borrowed Funds	35,315	1,709
Accrued Expenses and Other Liabilities	11,564	6,654
Total Liabilities	\$883,680	\$801,923

MEMBERS' EQUITY

Retained Earnings	\$63,913	\$71,000
Total Liabilities and Members' Equity	\$947,593	\$872,923

INCOME STATEMENT

As of December 31, 2022 and 2021 *(Rounded to the nearest thousands)*

INCOME	2022 <i>(Unaudited)</i>	2021 <i>(Unaudited)</i>
Interest on Loans	\$25,980	\$22,840
Interest on Investments	3,111	1,713
Non-Interest Income	10,322	11,439
Total Income	\$39,413	\$35,992

EXPENSE

	2022 <i>(Unaudited)</i>	2021 <i>(Unaudited)</i>
Dividends on Members' Share Accounts	\$3,679	\$3,398
Interest on Borrowed Funds	121	-
Provision for Loan Losses	831	631
Compensation & Benefits	14,558	13,136
Office Operations	6,832	6,419
Occupancy	1,428	1,312
Other Expense	2,240	2,615
Total Expense	\$29,689	\$27,511
Net Income	\$9,724	\$8,481





VERMONT FEDERAL
CREDIT UNION

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