



ANNUAL REPORT

VERMONT FEDERAL | 2019



VERMONT FEDERAL
CREDIT UNION

www.vermontfederal.org | 888.252.0202

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.





JEAN GIARD
President/CEO



JOE FINNIGAN
Board Chair

CHAIR & PRESIDENT/CEO REPORT

2019 represented another year of impressive growth and accomplishment for Vermont Federal Credit Union. We welcomed 3,814 new members and ended the year with a total of 42,315 member-owners. Thanks to the continued support of our members, our credit union grew to \$583 million in total assets and achieved a net worth of 9.66%. It was also another record-breaking year for loans, with total originations of over \$222 million in auto, real estate, personal, and business loans to meet the needs of our membership.

In 2019, we introduced a number of enhancements to our products and services in an effort to improve our members' financial wellbeing. This included the launch of a new Student Checking account with features to help our youngest members develop responsible money management habits. We also launched Seed Money, a down payment assistant program offering first-time home buyers up to \$7,500 toward closing and down payment costs on their first mortgage. We also made significant improvements to our online application solution as part of our ongoing effort to deliver a best-in-class digital banking experience.

At Vermont Federal, we are passionate about making a difference in the communities that we serve, and we continue to be an active participant and contributor to a variety of charitable initiatives such as Feed Your Neighbor with the Vermont Food Bank, Pitchin' for a Purpose with the Lund Family Center, and Vermont Special Olympics. Our employees volunteered more than 900 hours at non-profits of their choice with our paid volunteer program. We also made significant financial contributions to a number of local non-profit organizations including Spectrum Youth Services and Vermont Make-A-Wish Foundation.

Our continued growth and success has not been unnoticed, and we received a number of accolades in 2019. Our credit union continues to rank among the top in the country and is ranked #1 in the state of Vermont by the independent research group Callahan & Associates for the amount of value that we give back to our members each year in the form of higher deposit rates, lower loan rates, and fewer service fees. We were recognized by Forbes as a Best-In-State credit union for the second consecutive year and also received Vermont Business Magazine's "Best of Business" award for Addison, Franklin and Grand Isle Counties for the third consecutive year.

We have continued to carry this momentum forward into 2020 and are reminded of the immense capabilities that our Credit Union brings to bear. We have launched a new website, improved our online and mobile banking capabilities, and repositioned our brand through an entirely new marketing campaign. Since the outbreak of the COVID-19 Pandemic, we have bolstered our local small business community with 260 Paycheck Protection Loans totaling nearly \$9 million, and supported our business members while their businesses faced the challenges of tough times. We've supported families and individuals with over 170 COVID relief loans to help them pay their bills when their paychecks stopped. We provided our members with over 2,000 loan deferrals, extensions and credit balance transfers to ease their financial burdens. And all the while, our branches remained open with drive-thru service, our call center was available to help our members, and we continued to add new members to our Vermont Federal family.

We are Vermonters. Serving fellow Vermonters. We are proud of what we accomplished in 2019, and are excited about the prospects for the future. We are committed to delivering an exceptional member experience and continue to invest in ways to surprise and delight our over 42,000 members. On behalf of our entire team of staff, volunteers and the Board of Directors, we thank you for your commitment to Vermont Federal Credit Union and look forward to serving your needs now and into the future.

SUPERVISORY COMMITTEE AUDIT REPORT

The audit for Vermont Federal Credit Union for the period ended March 31, 2019 was conducted by Clifton Larson Allen LLP, 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 for annual examination. It is the opinion of the Supervisory Committee that the financial statements presented to you by the Credit Union's management fairly reflect, in all material respects, the financial position of the Credit Union as of March 31, 2019 and March 31, 2018. A formal audit is currently pending for our fiscal year end of March 31, 2020.

BOARD OF DIRECTORS

Joseph Finnigan, **Chair**

Megan Manahan Bliss, **Vice Chair**

Will Voigt, **Treasurer**

Suzanne Lynn, **Secretary**

Ethan Hutchins, **Director**

Paul Politano, **Director**

Lisa Rees, **Director**

Neal Robinson, **Director**

Maribeth Spellman, **Director**

SUPERVISORY COMMITTEE

Louise Thabault, **Chair**

Paulette Bergeron

C. Kirk Clarke

Jennifer Kennelly

Donald Turner, Jr.



ACHIEVEMENTS & AWARDS

WHAT WE ACCOMPLISHED WITH YOUR HELP

BEST-IN-STATE CREDIT UNION

We were one of 182 credit unions nationwide to be recognized by Forbes in their second Best-In-State Credit Unions list, and the only credit union in Vermont to be named for two consecutive years.

GOVERNOR'S EXCELLENCE IN WORKPLACE WELLNESS AWARD

This annual award creates a standard of excellence for worksite wellness initiatives, and recognizes employers' efforts to enhance productivity, bolster a healthy environment, and improve employee wellbeing.

VERMONT BUSINESS MAGAZINE - BEST CREDIT UNION

We were rated the best credit union in Addison, Franklin, and Grand Isle counties by *Vermont Business Magazine* for the second year in a row.

TOP PERFORMER FOR VHFA

We were ranked among the state's top performers for Vermont Housing Finance Agency (VFHA). Patricia Boyce, a mortgage originator at our St. Albans branch, was named the #1 overall VHFA producer for Vermont.

HIGH MEMBER EXPERIENCE SCORE

Through our mystery shopper's program, we were given a member experience score of 4.77 out of 5.0 for the question "Would you refer others to this credit union?".

2019 FINANCIALS

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2019 and 2018

(Rounded to the nearest thousands)

ASSETS	2019 (Unaudited)	2018 (Unaudited)
Cash and Cash Equivalents	\$25,419	\$15,175
Investments:		
Available for Sale	59,407	99,530
Other	20,131	14,400
Loans Held for Sale	761	945
Loans to Members, Net Allowance for Loan Losses	457,344	403,032
Property and Equipment	15,036	15,812
Other Assets	9,942	9,883
Total Assets	\$588,040	\$558,777
LIABILITIES & MEMBERS' EQUITY		
Members' Shares	\$525,049	\$485,639
Borrowed Funds	1,709	17,509
Accrued Expenses and Other Liabilities	4,385	6,739
Total Liabilities	\$531,143	\$509,887
MEMBERS' EQUITY		
Retained Earnings	\$56,897	\$48,890
Total Liabilities and Members' Equity	\$588,040	\$558,777

2019 FINANCIALS

INCOME STATEMENT

As of December 31, 2019 and 2018

(Rounded to the nearest thousands)

INCOME	2019 (Unaudited)	2018 (Unaudited)
Interest on Loans	\$19,900	\$16,936
Interest on Investments	2,958	3,107
Non-Interest Income	9,638	9,568
Total Assets	\$32,496	\$29,611
EXPENSE		
Dividends on Members' Share Accounts	\$5,580	\$4,256
Interest on Borrowed Funds	202	252
Provision for Loan Losses	1,356	1,110
Compensation & Benefits	10,418	9,811
Office Operations	5,589	5,284
Occupancy	1,030	985
Other Expense	2,989	2,700
Total Expense	\$27,164	\$24,398
Net Income	\$5,332	\$5,213



42,315
members strong



923
employee
volunteer hours



\$222M
loans originated



97
organizations
supported



\$337k
given back in
ATM rebates



\$127,358
given back to
our communities

5,870
TOTAL LIKES ON
FACEBOOK



487
members
purchased a home

RANKED A
BEST-IN-STATE
CREDIT UNION
by *Forbes*



\$5.6M
given back
in dividends

VHFA TOP
MORTGAGE
PERFORMER

2019

SCHOLARSHIPS

Vermont Federal Credit Union has been awarding scholarships to deserving students for nearly 20 years. In 2020, \$12,000 worth of scholarships were awarded to nine students.

Our volunteer scholarship committee is made up of a rotating combination of staff, board and community members who proudly support our members' pursuits in higher education. Congratulations to our all of scholarship recipients.



Apryl Cunningham

Apryl is currently attending Vermont Technical College where she is pursusing a Bachelor's Degree in Nursing.



Asia Bailey

Asia is a freshman at Gallaudet College in Washington, D.C. pursuing a degree in Deaf Studies.



Caylin Bessette

Caylin is currently attending Plymouth State University where she is pursuing a Bachelor's Degree in Elementary Education.



Christopher Loiselle

Christopher graduated from Milton High School in June of 2020. He will be studying at Utica College in pursuit of a Bachelor's Degree in Computer Science.



Makayla Macomber

Makayla is currently attending Vermont Technical College, studying business. She graduated from South Burlington High School in June of 2017.



Nethaniel Schifilliti

Nethaniel graduated from BFA St. Albans in June of 2018, and is attending Maine School of Masonry in pursuit of a degree in Masonry.



Ramzi Kori

Ramzi attended Burlington High School and is currently pursuing a degree in business marketing at Castleon University.



Rida Kori

Rida graduated from Burlington High School in June of 2018. He currently attends Castleton University and majors in Business.



Sumeya Musa

Sumeya is a junior at Castleton University majoring in health science.

2019 COMMUNITY EVENTS & SPONSORSHIPS

An important element of our mission is connecting with our fellow Vermonters. Involvement in our communities is at the heart of who we are and what we do.

Vermont Federal Credit Union strives to make a difference in the communities that we serve. We are actively involved in supporting many different local charities, community events, youth and collegiate sports and higher education aspirations. We give back to Vermont organizations, which ensures the money is reinvested within the state.

In 2019, we donated over \$127,000 to organizations in our communities, such as Make-A-Wish, Spectrum Youth and Family Services, United Way and the Vermont Foodbank. Part of what makes Vermont Federal Credit Union unique is the generosity of our employees who volunteered more than 900 hours at non-profits of their choice with our paid volunteer program. In total, we supported 97 local organizations in helping them achieve their missions. We are grateful for the opportunity to participate and support these worthy causes, and look forward to providing continued assistance when needed over the next year.



THANK YOU FOR READING OUR

ANNUAL REPORT



Insured by NCUA
NMLS Institutional ID #466013

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