



VERMONT FEDERAL
CREDIT UNION

2021

ANNUAL REPORT



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 right down to it, our members are more than just a mere account number, they are owners of the Credit Union and an integral part of the community we all call home. It's our job as a collective ownership group to do whatever we can to help Vermonters thrive, because when our community does well, we all do well.



CHAIR & PRESIDENT/CEO REPORT

For many, 2021 will be remembered as one of the most challenging and transformative years in recent history due to the sweeping impacts of Covid-19, and its negative effects on many local families. What began as an unforeseen health crisis has rapidly transformed many fundamental aspects of our community.

However, despite the many challenges, Vermont Federal Credit Union's Board of Directors, Leadership Team and its entire staff responded to the crisis with compassion, resilience and strength. I am very proud of the contributions and sacrifices we made to ensure the financial well-being of our members while prioritizing the health of our staff and members.

2021 was a year of continued growth and evolution for Vermont Federal Credit Union. It was a year in which we reaffirmed our commitment to the state of Vermont, our members and the communities we call home and our Credit Union now sits uniquely poised to make a positive impact on the financial lives of our over 45,000 members.

The State of Vermont is at the heart of everything we do and our commitment to its residents was the driving force behind our Field of Membership Expansion. Approved by the NCUA in August, our new field of membership now includes the entire state of Vermont. This means that Vermont Federal Credit Union is now a Credit Union run by Vermonters for ALL Vermonters.

Our commitment to service, convenience and member access resulted in the successful opening of our new branch facility at One Carmichael Street in Essex in June of 2021. In addition, in 2021 we began renovations on our new operations center and branch at 275 Kennedy Drive in South Burlington. The new facility will be home to over 100 employees and will feature our most contemporary branch to date.

As a local credit union, one of our primary goals as an organization is to be a strong and active participant in the towns and communities that we serve. While our in-person opportunities were limited, our employees volunteered more than xxx hours at non-profits of their choice, and our Credit Union was

active in a number of fundraising events such as Feed Your Neighbor with The Vermont Food Bank and Vermont Special Olympics. In 2021, our Credit Union made over \$146,000 in sponsorship and charitable contributions to dozens of community organizations and we strengthened ties with key community partners such as City Market Food Co-op, AGEWell and Make-A-Wish Foundation Vermont.

Our commitment to Vermont and our unwavering support of our members has not gone unnoticed in the communities we serve. We received the The Best in Business Award (BOB) from Vermont Business Magazine with a Best Credit Union designation for Addison, Franklin and Grand Isle Counties. For the fourth year in a row we were named by Forbes as a best-in-state credit union. Finally, Vermont Federal Credit Union was presented the Raddon 2021 Crystal Performance Award which highlighted 21 Credit Unions across the United States.

Our combined commitment to Vermont through our expanded footprint, member enhancements, and community outreach resulted in very positive financial results. In 2021, Vermont Federal Credit Union grew by \$133.9 million in assets (18.12%), our member deposits grew by \$127.7 million (19.18%), and the Credit Union membership grew by 5.96%, ending the year with 47,425 members.

2021 truly was a transformative year for Vermont Federal Credit Union and I am extremely proud of the commitment and dedication of our entire staff. We are Vermonters. Serving fellow Vermonters. We are proud of what we accomplished in 2021, and we are committed to our continued success in 2022. On behalf of our entire team of staff, volunteers and the Board of Directors, we thank you for your membership and we 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, 2021 was conducted by Crowe 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, 2021 and March 31, 2020. A formal audit has been completed for our fiscal year end of March 31, 2022, and can be found on our website.



JEAN GIARD
President/CEO



MEGAN MANAHAN BLISS
Board Chair

BOARD OF DIRECTORS

MEGAN MANAHAN BLISS
Chair

WILL VOIGT
Vice Chair

JOSEPH FINNIGAN
Treasurer

NEAL ROBINSON
Secretary

ETHAN HUTCHINS
Director

PAUL POLITANO
Director

LISA REES
Director

EMILY BYRNE
Director

MICHAEL COSTA
Director

SUPERVISORY COMMITTEE

LOUISE THABAULT
Chair

PAULETTE BERGERON

JASON PLAZA

DON TURNER



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 Best-In-State Credit Unions list, and the only credit union in Vermont to be named for four 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 fourth year in a row.

TOP PERFORMERS FOR VHFA

We were ranked among the state's top performers for Vermont Housing Finance Agency (VFHA). Megan Hampton, a mortgage originator at our Burlington branch, and Tina Plante, a mortgage originator at our South Burlington branch, were named the #1 overall VHFA producers for Vermont.

RADDON 2021 CRYSTAL PERFORMANCE AWARD

We were one among 21 credit unions across the United States in the top 3% of Raddon's yearly results and metrics analysis. Each recipient was selected based on an analysis of key performance metrics focused on service, member relationships, sales and other areas.



FINANCIAL CONDITION STATEMENT

As of December 31, 2021 and 2020

(Rounded to the nearest thousands)

ASSETS

| | 2021 (Unaudited) | 2020 (Unaudited) |
|---|---------------------|---------------------|
| Cash and Cash Equivalents | \$54,000 | \$97,324 |
| Investments: | | |
| • Available for Sale | 178,127 | 52,903 |
| • Other | 13,785 | 27,552 |
| Loans Held for Sale | 847 | 3,626 |
| Loans to Members, Net Allowance for Loan Losses | 595,698 | 531,264 |
| Property and Equipment | 17,819 | 14,744 |
| Other Assets | 12,647 | 11,576 |
| Total Assets | \$872,923 | \$738,989 |

LIABILITIES & MEMBERS' EQUITY

| | | |
|--|------------------|------------------|
| Members' Shares | \$793,560 | \$665,830 |
| Borrowed Funds | 1,709 | 1,709 |
| Accrued Expenses and Other Liabilities | 6,654 | 6,140 |
| Total Liabilities | \$801,923 | \$673,679 |

MEMBERS' EQUITY

| | | |
|--|------------------|------------------|
| Retained Earnings | \$71,000 | \$65,310 |
| Total Liabilities and Members' Equity | \$872,923 | \$738,989 |

INCOME STATEMENT

As of December 31, 2021 and 2020

(Rounded to the nearest thousands)

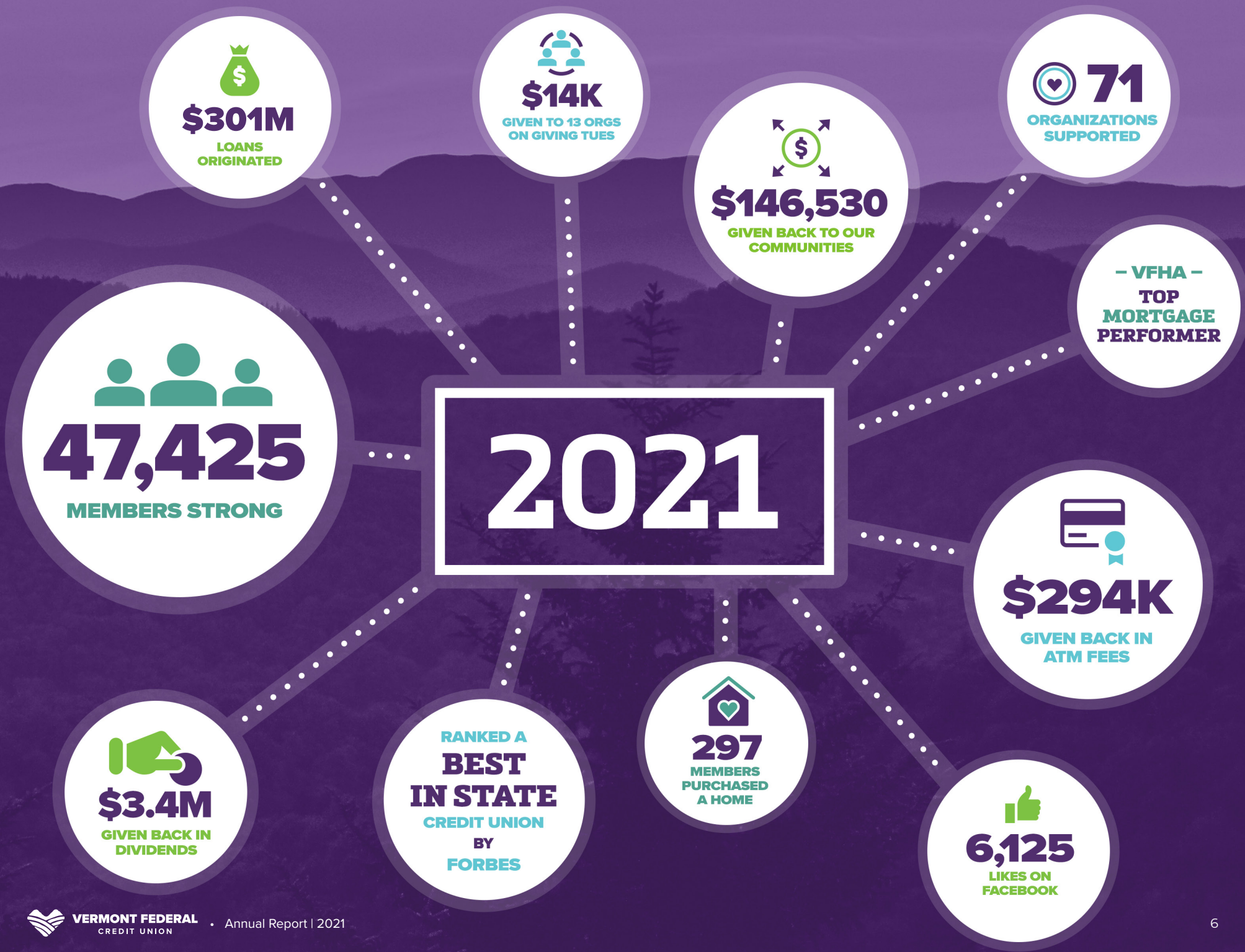
INCOME

| | 2021 (Unaudited) | 2020 (Unaudited) |
|-------------------------|---------------------|---------------------|
| Interest on Loans | \$22,840 | \$21,020 |
| Interest on Investments | 1,713 | 1,768 |
| Non-Interest Income | 11,439 | 10,555 |
| Total Assets | \$35,992 | \$33,343 |

EXPENSE

| | 2021 (Unaudited) | 2020 (Unaudited) |
|--------------------------------------|---------------------|---------------------|
| Dividends on Members' Share Accounts | \$3,398 | \$4,509 |
| Interest on Borrowed Funds | 70 | - |
| Provision for Loan Losses | 631 | 1,094 |
| Compensation & Benefits | 13,136 | 11,778 |
| Office Operations | 6,419 | 5,540 |
| Occupancy | 1,312 | 1,063 |
| Other Expense | 2,545 | 2,453 |
| Total Expense | \$27,511 | \$26,437 |
| Net Income | \$8,481 | \$6,906 |







COMMUNITY IMPACT & 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.

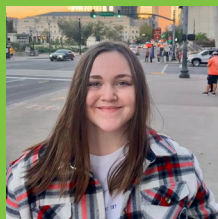
In 2021, we contributed over \$146,000 to organizations in our communities, such as Make-A-Wish, Spectrum Youth and Family Services, United Way and the Vermont Foodbank.

Part of what makes Vermont Federal Credit Union unique is the generosity of our employees who volunteered at non-profits of their choice with our paid volunteer program. In total, we supported 71 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.

SCHOLARSHIPS

Vermont Federal Credit Union has been awarding scholarships to deserving students for nearly 20 years.
In 2022, \$10,000 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.



**EMMA
BLAISDELL**

Plans to attend Villanova University to study psychology, while also on a pre-med track.



**JONATHAN
LABRIE**

Is going to study sound recording technology at University of Massachusetts - Lowell.



**MCKENNA
REMILLARD**

Will be going into her senior year of the nursing program at the University of New England, which is located in Biddeford and Portland, ME.



**VERONICA
CLARKE**

Is going to attend the Radiology Program at Vermont Technical College starting August 2022.



**ZACHARY
WHITEHOUSE**

Will be attending Castleton University with a focus in Nursing, starting in August 2022.

CONGRATULATIONS TO ALL OF OUR SCHOLARSHIP RECIPIENTS!





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Insured by NCUA
NMLS Institutional ID #466013

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