



ANNUAL REPORT

VERMONT FEDERAL | 2020

VERMONT FEDERAL
CREDIT UNION

vermontfederal.org | 888.252.0202

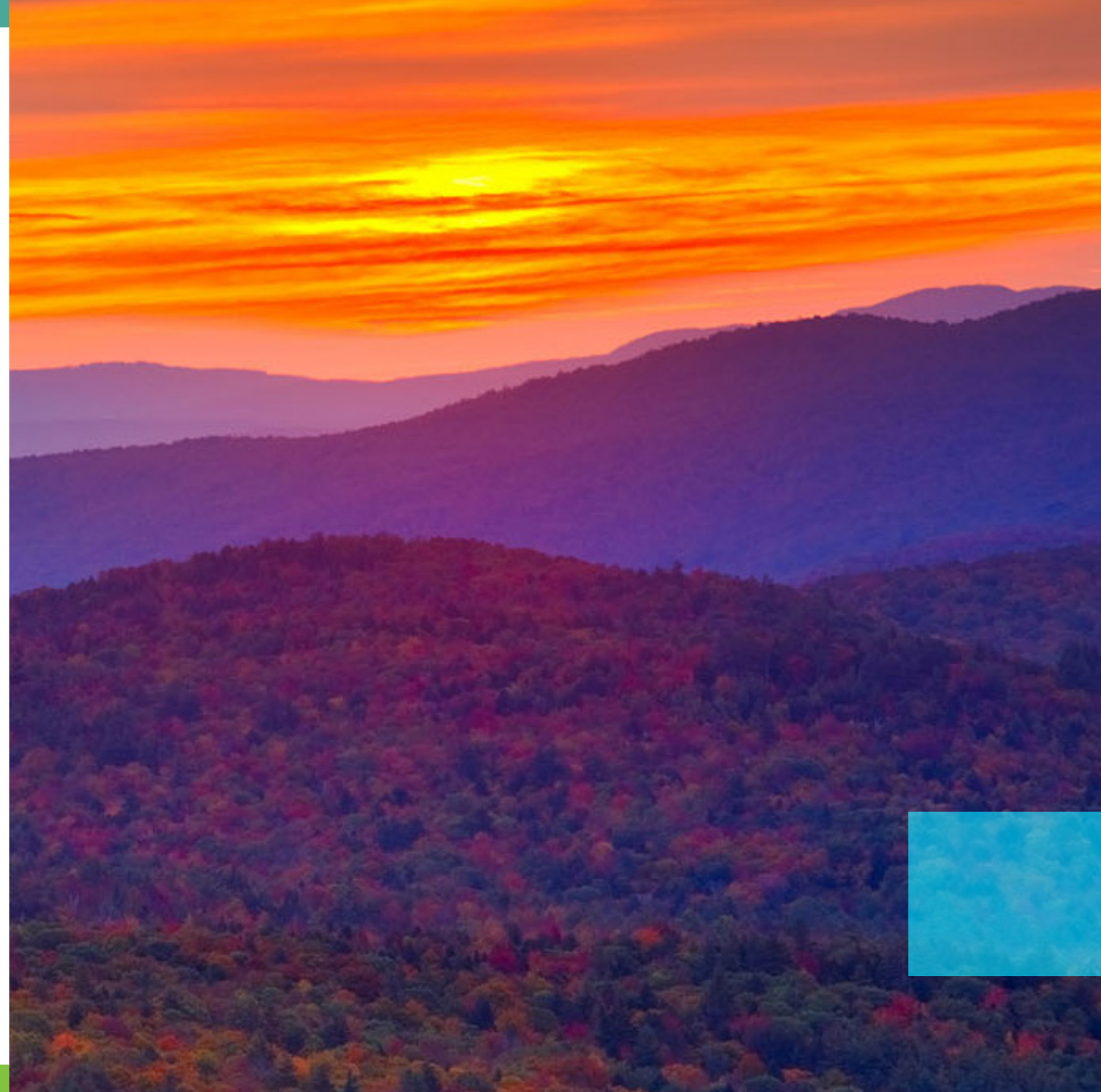
BANK LIKE A VERMONT.

We know how to bank in Vermont because we are Vermonters.

You choose 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 are 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 our community does well, we all do well.



CHAIR & PRESIDENT/ CEO REPORT

The year 2020 was unlike any that we have ever experienced. It has been described as **unprecedented**, **challenging** and **unrelenting**. Our country, and the world, was engulfed in a global pandemic that had far-reaching effects across our planet, our country, our state and our local communities. For Vermont Federal Credit Union, 2020 was not easy, but it also proved to be **transformative**, **enlightening**, and **rewarding**.

It was **transformative** in the way in which it required all of us to reassess where and how we work most effectively, how we communicate with our members and how we manage our Credit Union from a remote environment. Our management team learned how to work from home, our branch staff performed admirably as front-line essential workers and our members adjusted to the “new normal” and appreciated our efforts to continue to operate in an as close to “business as usual” fashion.

It was **enlightening** in the way it made us look and assess ourselves as to how we treat one another, our members and our prospects. We assessed our current and future approach to equality and inclusion, and challenged ourselves to be the best employers, neighbors, and financial partners that we can be.

And finally, 2020 was **rewarding** in the way in which we rose to the occasion to help our members in times of crisis, how we banded together as a team to thrive in uncharted territory, and how Vermont Federal Credit Union was once again able to effectively live up to our mission of making a decided difference in the lives of our members.

2020 represented another year of impressive growth and accomplishment for Vermont Federal Credit Union. We welcomed 3,841 new members and ended the year with a total of 44,759 member-owners. Thanks to the continued support of our members, our credit union grew to \$739 million in total assets and achieved a net worth of 8.62%. It was also another record-breaking year for loans, with total originations of over \$315 million in auto, real estate, personal, and business loans to meet the needs of our membership.

Throughout the year, we continued our support of local charities and communities. While our in-person opportunities were limited, our employees banded together to raise \$5,000 dollars for Vermont Foodbank, and volunteered for Spectrum's *Empty Bowl* event by delivering Vermont-made bowls and soup from local restaurants to participants' homes. In recognition of the “Giving Tuesday” movement, Vermont Federal donated over \$10,000 to a variety of local charities and non-profit organizations. The charities selected include: Toys for Kids VT, Jenna's Promise, Waterbury Area Food Shelf, Milton Family Community Center (MFCC), Howard Center, Age Well, Addison County Parent/Child Center, Operation Fire Cuffs 2020, Vermont Adaptive Ski & Sports, Josh Pallotta Fund, Martha's Community Kitchen and Franklin County Animal Rescue.

We bolstered our local small business community with 293 Paycheck Protection Loans totaling \$9.5 million, and supported our business members while their businesses faced the challenges of tough times. We supported families and individuals with over 200 COVID relief loans and provided our members with over 2,000 loan deferrals, extensions and credit balance transfers to ease their financial burdens.

Vermont Federal Credit Union continues to be recognized for our dedication to our members and our communities. We were recognized by Forbes as a Best-In-State credit union for the third consecutive year and also received Vermont Business Magazine's 2020 “Best of Business” award for Addison, Franklin and Grand Isle Counties for the fourth consecutive year. Finally, 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.

This past year has shown us the power of community, collaboration, teamwork and commitment. It has demonstrated the will and determination of Vermonters, and ultimately, we think, has made us an even better Credit Union. We are Vermonters. Serving fellow Vermonters. We are proud of what we accomplished in 2020, and are excited about the prospects for the future. 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.



JEAN GIARD
President/CEO



MEGAN MANAHAN BLISS
Board Chair

BOARD OF DIRECTORS

Megan Manahan Bliss, **Chair**

Will Voigt **Vice Chair**

Joseph Finnigan, **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

Jennifer Kennelly

Donald Turner, Jr.

**SUPERVISORY
COMMITTEE
AUDIT REPORT**

The audit for Vermont Federal Credit Union for the period ended March 31, 2020 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, 2020 and March 31, 2019. A formal audit is currently pending for our fiscal year end of March 31, 2021.

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 third Best-In-State Credit Unions list, and the only credit union in Vermont to be named for three 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 third 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 4.91 out of 5.0 for the question "Would you refer others to this credit union?".

NET PROMOTER SCORE

Approximately 21,000 members were surveyed in 2020. There were 2,240 members who provided a response. Our net promoter score was 79, which is 44 points higher than the industry average of 35.



2020 FINANCIALS

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2020 and 2019

(Rounded to the nearest thousands)

ASSETS	2020 (Unaudited)	2019 (Unaudited)
Cash and Cash Equivalents	\$97,324	\$25,419
Investments:		
Available for Sale	52,903	59,407
Other	27,552	20,131
Loans Held for Sale	3,626	761
Loans to Members, Net Allowance for Loan Losses	531,264	457,344
Property and Equipment	14,744	15,036
Other Assets	11,576	9,942
Total Assets	\$738,989	\$588,040
LIABILITIES & MEMBERS' EQUITY		
Members' Shares	\$665,830	\$525,049
Borrowed Funds	1,709	1,709
Accrued Expenses and Other Liabilities	6,140	4,385
Total Liabilities	\$673,679	\$531,143
MEMBERS' EQUITY		
Retained Earnings	\$65,310	\$56,897
Total Liabilities and Members' Equity	\$738,989	\$588,040

2020 FINANCIALS

INCOME STATEMENT

As of December 31, 2020 and 2019

(Rounded to the nearest thousands)

INCOME	2020 (Unaudited)	2019 (Unaudited)
Interest on Loans	\$21,020	\$19,900
Interest on Investments	1,768	2,958
Non-Interest Income	10,555	9,638
Total Income	\$33,343	\$32,496
EXPENSE		
Dividends on Members' Share Accounts	\$4,509	\$5,580
Interest on Borrowed Funds		202
Provision for Loan Losses	1,094	1,356
Compensation & Benefits	11,778	10,418
Office Operations	5,540	5,589
Occupancy	1,063	1,030
Other Expense	2,453	2,989
Total Expense	\$26,437	\$27,164
Net Income	\$6,906	\$5,332



**Data from 2020*

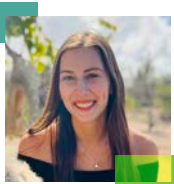


2021

SCHOLARSHIPS

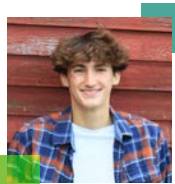
Vermont Federal Credit Union has been awarding scholarships to deserving students for nearly 20 years. In 2021, \$12,000 worth of scholarships were awarded to five students.

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.



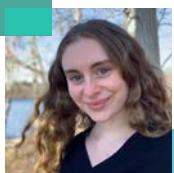
Grace Laroque

Grace is currently attending Towson University in Maryland and is a Mathematics and Economics Major.



Manolis Anemikos

Manolis is going to attend the University of Delaware and will be majoring in Chemical Engineering.



Grace Woodruff

Grace is currently enrolled at Wellesley College in Massachusetts and is an English and Political Science Major.



Radika Dahal

Radika graduated high school in 2002 from Jhapa, Nepal. She is entering the nursing program at Vermont Tech in Williston.



Katherine Veronneau

Katherine is going to attend the University of New Hampshire and will be majoring in Cell and Molecular Biology.

2020

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 2020, we donated over \$100,000 to organizations in our communities, such as the Vermont Foodbank, United Way, and HOPE Food Access. Part of what makes Vermont Federal Credit Union unique is the generosity of our employees who came together to raise \$5,000 for the Vermont Foodbank. On Giving Tuesday, Vermont Federal Credit Union donated over \$10,000 to 13 different organizations throughout our membership. In total, we supported 87 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 BEING A MEMBER

vhfa



Insured by NCUA
NMLS Institutional ID #466013

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