

# 2017 ANNUAL REPORT



**VERMONT FEDERAL**  
CREDIT UNION

SEE WHERE BETTER BANKING TAKES YOU.

# CHAIR & PRESIDENT/CEO REPORT

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Vermont Federal is celebrating its 65<sup>th</sup> year as a Credit Union. We have come a long way since our first day in 1953. During these 65 years, we have grown to \$513 million in assets, 38,000 in member-owners, and 130 staff. This amazing growth is due to the continued trust and support of you, our membership. We are grateful for the opportunity to serve you, and we remain focused on fulfilling our mission to improve your financial wellbeing.

Among the key achievements for 2017, we welcomed 4,109 new members, added \$26 million in deposits, and granted 10,570 new loans, representing \$170 million in new loan funds disbursed.

We continued to assist members in their savings efforts, paying \$3.6 million in dividends in 2017, including \$1.2 million from our flagship ReWARD Checking Account.

With mortgage rates remaining low, and our home buying seminars to help guide members through the process, we were able to help members accomplish their dreams of home ownership by funding \$99 million in mortgage loans. In doing so, we became the number one credit union lender for the Vermont Housing Finance Agency (VHFA) for 2017.

With the above results, it was not surprising that Vermont Federal Credit Union was ranked first in Callahan and Associates “Return to Member” rating among Vermont credit unions, and fifth among all peer credit unions nationally. The return to member index quantifies the value we provide member-owners in terms of savings, lending, product usage and how the profits funnel back to our members.

We are also proud to have received Vermont Business Magazine’s “Best of Business” award for the best credit union in Franklin, Grand Isle and Addison Counties.

On behalf of your Board of Directors, volunteers, management, and staff, we thank you for your membership and for choosing Vermont Federal Credit Union for your financial needs.



**JEAN GIARD**  
President/CEO



**JOE FINNIGAN**  
Board Chair

# SUPERVISORY COMMITTEE AUDIT REPORT

The audit for Vermont Federal Credit Union for the period ended March 31, 2017 was conducted by Clifton Larson Allen LLP, external auditors.

The independent auditor's examination is authorized by the Board of Directors 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 December 31, 2017 and December 31, 2016. A formal audit is currently pending for our fiscal year end of March 31, 2018.



RECEIVING THE GOVERNOR'S COUNCIL AWARD FOR EXCELLENCE IN WORKPLACE WELLNESS.

(L TO R): MARK LEVINE, VERMONT HEALTH COMMISSIONER, SARA KLEIN, HUMAN RESOURCES MANAGER AT THE CREDIT UNION, AND VERMONT GOVERNOR PHIL SCOTT.

## Board of Directors

Joseph Finnigan, **Chair**

Megan Manahan Bliss, **Vice Chair**

Lisa Rees, **Treasurer**

Suzanne Lynn, **Secretary**

Ethan Hutchins, **Director**

Paul Politano, **Director**

Will Voigt, **Director**

## Supervisory Committee

Louise Thabault, **Chair**

Paulette Bergeron

C. Kirk Clarke

Jennifer Kennelly

Donald Turner, Jr.

# STATEMENT OF FINANCIAL CONDITION

as of December 31, 2017 and 2016

(Rounded to the nearest thousands)

	2017 (Unaudited)	2016 (Unaudited)
<b>ASSETS</b>		
Cash and Cash Equivalents	\$17,895	\$21,883
Investments:		
Available for Sale	112,819	115,205
Other	14,497	12,923
Loans Held for Sale	2,401	2,387
Loans to Members, Net Allowance for Loan Losses	347,011	305,209
Property and Equipment	9,499	10,097
Other Assets	<u>9,160</u>	<u>8,759</u>
<b>TOTAL ASSETS</b>	<b><u>\$513,282</u></b>	<b><u>\$476,463</u></b>
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>		
Members' Shares	\$458,945	\$432,950
Borrowed Funds	3,184	2,000
Accrued Expenses and Other Liabilities	<u>6,187</u>	<u>438</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$468,316</u></b>	<b><u>\$435,388</u></b>
<b>MEMBERS' EQUITY</b>		
Retained Earnings, Substantially Restricted	<u>\$44,966</u>	<u>\$41,075</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b><u>\$513,282</u></b>	<b><u>\$476,463</u></b>

# INCOME STATEMENT

for years ended December 31, 2017 and 2016 (Rounded to the nearest thousands)

	2017 (Unaudited)	2016 (Unaudited)
<b>INCOME</b>		
Interest on Loans	\$14,121	\$12,746
Interest on Investments	3,058	3,109
Non-Interest Income	<u>8,579</u>	<u>8,308</u>
<b>TOTAL INCOME</b>	<b><u>\$25,758</u></b>	<b><u>\$24,163</u></b>
<b>EXPENSE</b>		
Dividends on Members' Shares Accounts	\$3,608	\$3,411
Interest on Borrowed Funds	89	273
Provision for Loan Losses	871	1,160
Compensation & Benefits	8,909	8,519
Office Operations	5,043	4,915
Occupancy	873	896
Other Expense	<u>2,102</u>	<u>1,973</u>
<b>TOTAL EXPENSE</b>	<b><u>\$21,495</u></b>	<b><u>\$21,147</u></b>
<b>NET INCOME</b>	<b><u>\$4,263</u></b>	<b><u>\$3,016</u></b>

# IN THE NEWS

Supporting our communities

## Vermont Restaurant Week Donates \$21,380 to the Vermont Foodbank

May 31, 2017

In our 8<sup>th</sup> year as the presenting sponsor of Vermont Restaurant Week, a 10-day foodie festival to benefit the Vermont Foodbank, the event raised over \$20,000 for the Vermont Foodbank. We are honored to have once again supported the foodbank, local businesses and food purveyors in 2017.

## 12,000 Pounds of Community Documents Shredded

June 5, 2017

Shred events offer safe and secure disposal of sensitive documents. More than 250 community members joined in shredding 633 bags and boxes of personal documents during the Credit Union's spring 2017 shred events.

## \$8,000 Awarded in Educational Scholarships

July 10, 2017

Four students were selected by a volunteer Scholarship Committee to receive \$2,000 in educational scholarships. Recipients were selected based on academic achievements, leadership activities and service to the community.

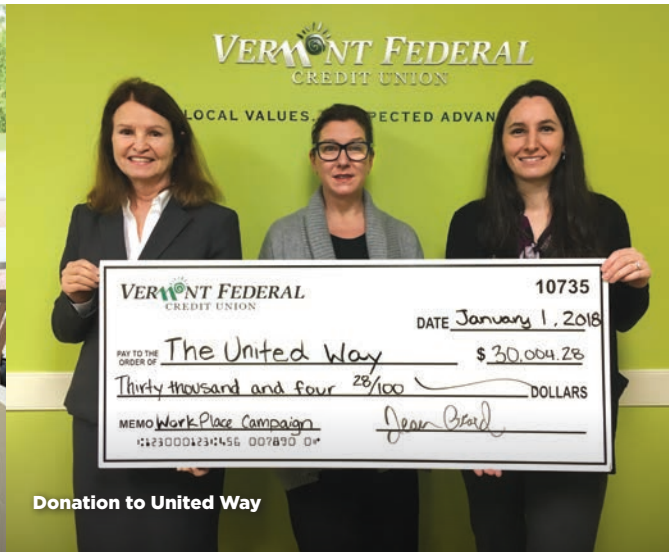
## Make-A-Wish Vermont's 800<sup>th</sup> Wish Granted

August 27, 2017

\$10,000 was donated to Make-A-Wish Vermont to assist in granting the wish of a St. Albans boy, Asher. Asher received his dream of a pool and a lift to assist with getting in and out of the pool.



Volunteers in the Isle LaMotte 5K Run



Donation to United Way



Scholarship recipient

## Over \$30,000 Raised for United Way

December 30, 2017

The Credit Union exceeded our previous year's fundraising by \$6,000, raising over \$30,000 for United Way of Northwestern Vermont during our 2017 annual fundraising campaign.

## Employees Donate Time to Local Non-Profits

December 30, 2017

Credit Union employees spent over 650 hours volunteering at local non-profits in 2017. Volunteer time was spent cooking and serving meals, walking dogs, planning for the annual Relay for Life event and wrapping gifts to raise funds, amongst others.



## New Products & Services in 2017

### Graduate Student Loans

Members can now finance graduate business studies with a local financial institution they trust and that cares about their financial success.

### Online Financial Education Center

Interactive online educational modules help members learn about financial topics including savings and investments, the home buying process, credit scores, credit cards and more.

### Money Management Tool

A new powerful money management solution integrated within your online banking. Utilize budget tools, track spending, set alerts and monitor trends that adjust to your actual spending habits.

### Expanded Credit Card Options with Visa Checkout and Visa Charities

You now have fast and secure online payment options, and the ability to donate credit card reward points to select charities.



NMLS Institutional ID #466013



This credit union is federally insured by the National Credit Union Administration.