

2020 Annual Report

Better together



Board Chair's Report >



A Year Like No Other >



Financials >



**VENTURA
COUNTY**
CREDIT UNION

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Board Chair's Report

Members and community

2020 was certainly a year unlike any other. As with our community and our world, the Credit Union and its membership navigated almost unimaginable challenges last year as a result of the COVID-19 pandemic. Despite hardship, our collective team, including our volunteer Board of Directors and Supervisory Committee, management and staff, are grateful to the 80,000 loyal members who rely on VCCU to provide for their financial needs. In particular, we thank you for remaining flexible and patient as we complied with the many — and ever-evolving — state and county mandates governing our operations.

Throughout the year, we were steadfast in our focus on three things:

- We instituted many branch and office safety measures, including implementing telework options where possible.
- We made digital adoption and mobile services easier and more accessible through video learning, policy modifications, and person-to-person assistance.
- Most significantly, as the health crisis created a financial crisis across our membership, we worked to deliver on our promise of improving financial lives through loan extensions totaling more than \$101 million, fee waivers totaling just under \$500,000, and special programs like the SBA's Paycheck Protection Program, among others.

In the early stages of COVID-19, we conducted a membership impact survey. As we expected, many needed financial assistance. Beyond that, our members indicated a greater need for financial literacy and counseling. We heeded the call with a two-pronged approach: ongoing virtual workshops, as well as a brand new, free, comprehensive online financial learning platform through EverFi, a national leader in financial education technology.

In addition to the health and economic crisis, communities across the country grappled with social justice tensions. VCCU responded publicly with statements affirming our commitment to social and economic equality across our community, and in particular, within our marginalized populations. We continue to work every day to reach out to those most in need of financial assistance.

While the health crisis resulted in branch closures throughout the financial industry, VCCU was extremely fortunate to avoid any closures lasting more than a few days — and overall, experienced no significant service disruption. Early in the pandemic, we established a "reserve team" of cross-trained branch employees who remained ready to quickly step in and re-open any branch impacted by suspected or confirmed COVID-19 cases. The strategy proved tremendously beneficial in allowing us to continue in-branch services at the height of the pandemic.

Early 2020 brought a new President/CEO, Linda Rossi, formerly the Credit Union's Chief Administrative Officer.

Finally, in the midst of a chaotic year for all, VCCU reached a tremendous milestone: \$1 billion in assets. Our continued growth, and financial strength and stability, is a reflection of your support of the Credit Union and our financial cooperative movement. We thank you.

Sue Tatangelo
Board Chair



Linda Rossi
President/CEO



2020 Board of Directors

Sue Tatangelo, Chair
Sonia Amezcua
Philip Bohan
Margo Byrne
Pat Madden
Roxy Ostrem
Greg Stuart



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Index



Next

Better Together

A year like no other

It was our honor to team up with communities throughout Ventura County to make us better together during the extraordinary challenges posed by COVID-19. Assistance to individual members, organizations and the community at large in 2020 included:



\$101 million in loan extensions and forbearance

16,721 member fees waived totaling \$480,000

84 SBA Paycheck Protection Loans (PPP) totaling \$7 million, including \$2.3 million to local non-profits

Local business and non-profit support through #VCCUCares and Takeout Tuesday



\$80,000 in grants awarded by The Foundation of Ventura County Credit Union

\$10,000 given to support seven local chambers of commerce business events/programs

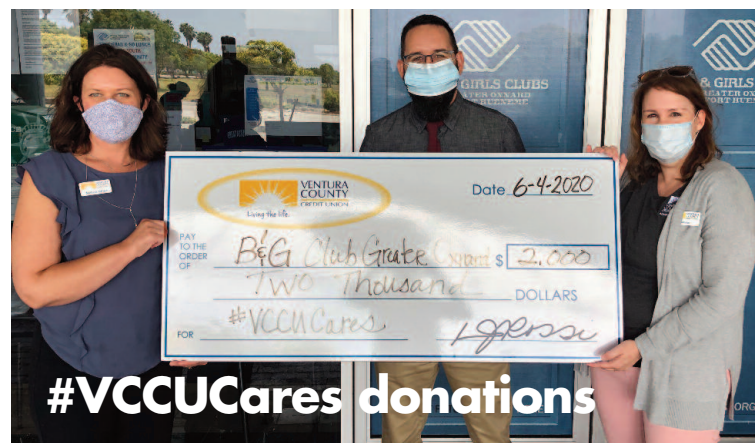
\$85,000 including cash and in-kind donations given through #VCCUCares



Introduced EverFi's Personal Learning Pathways for self-paced financial education

Completed eight digital enhancement projects including real-time payments, member surveys and mobile integration for business loans

Launched new VCCU website



Boys and Girls Clubs of Greater Oxnard: One of the many non-profit organizations we supported through #VCCUCares.



Index



Next

Financials

Statement of Income

Year ending December 31, 2020

| INTEREST INCOME | 2020 | 2019 |
|---|---------------------|---------------------|
| Investments and Cash Equivalents | \$2,886,234 | \$4,231,265 |
| Interest Income on Loans | 29,863,052 | 31,589,632 |
| Total Interest Income | \$32,749,286 | \$35,820,897 |
| INTEREST EXPENSE | | |
| Interest on Borrowed Funds | \$0 | \$97,841 |
| Dividend Payment | 3,003,476 | 2,985,801 |
| Total Interest Expense | 3,003,476 | 3,083,642 |
| NET INTEREST INCOME | \$29,745,810 | \$32,737,255 |
| Loan Loss Provision | 2,792,215 | 3,397,136 |
| Net Interest Income After Provision for Loan Losses | \$26,953,595 | \$29,340,119 |
| NON-INTEREST INCOME | | |
| Fees and Other Operating Income | \$11,514,578 | \$13,837,875 |
| Other Non-Operating Income | 300,282 | 295,394 |
| Total Non-Interest Income | \$11,814,860 | \$14,133,269 |
| NON-INTEREST EXPENSE | | |
| Compensation and Benefits | \$16,318,814 | \$15,356,364 |
| Occupancy | 3,479,660 | 3,406,575 |
| Office Operations | 10,207,105 | 9,931,283 |
| Professional and Outside Services | 1,089,529 | 1,107,206 |
| Other Expenses | 3,325,738 | 4,328,625 |
| Total Non-Interest Expense | \$34,420,846 | \$34,130,053 |
| Net Income Before Non-Operating Gain/(Loss) | \$4,347,609 | \$9,343,335 |
| Non-Operating (Gain)/Loss | \$0 | \$(250) |
| NET INCOME | \$4,347,609 | \$9,343,585 |

Unaudited financial statement. Fiscal year ends June 30.

Supervisory Committee Report

The Supervisory Committee provides oversight for the membership and Board of the Ventura County Credit Union. The Committee monitors the Credit Union's financial condition through various audits to ensure that the Credit Union's records are maintained properly, honestly and accurately. They review the internal audit reports to verify that policies established by law and by the Board of Directors are carried out faithfully. The Committee maintains communications with the Credit Union's regulatory examiners to ensure that all Credit Union assets are safeguarded and its operations meet compliance requirements.

The volunteers on the Supervisory Committee bring diverse professional expertise, resulting in comprehensive inquiries to management about the Credit Union's activities. The Committee meets routinely with management and reviews the various reports to determine that the Credit Union remains a safe place for the membership's assets. Based on the aforementioned activities, the Committee can report that Ventura County Credit Union remains financially sound.

2020 Supervisory Committee

Kenneth Kagan, Chair
Brenda Allison
Danielle Brinkman
Scott Kopald
Lisa McNally



Index



Next

Financials

Statement of Financial Condition

Year ending December 31, 2020

| ASSETS | 2020 | 2019 |
|-------------------------------|------------------------|----------------------|
| Cash | \$87,316,368 | \$42,983,275 |
| Total Investments | 317,614,307 | 139,714,542 |
| Gross Loans | 646,532,087 | 662,042,467 |
| Less: Reserve for Loan Loss | (6,548,969) | (6,048,515) |
| Net Loans | 639,983,118 | 655,993,952 |
| Property and Equipment | 30,267,057 | 32,287,157 |
| Interest and Other Receivable | 28,878,946 | 25,175,844 |
| NCUSIF Share Insurance | 8,827,468 | 7,557,326 |
| Other Assets | 1,261,798 | 897,130 |
| Total Other Assets | 69,235,269 | 65,917,457 |
| Total Assets | \$1,114,149,062 | \$904,609,226 |

LIABILITIES AND MEMBERS' EQUITY

Liabilities

| | | |
|---|-----------------|---------------|
| Total Member Shares | \$1,006,089,539 | \$801,786,496 |
| Dividends Payable on Shares & Borrowings | 126,706 | 196,149 |
| Accrued Expenses and Other Liabilities | 12,827,731 | 13,220,404 |

| | | |
|--------------------------|-------------------|-------------------|
| Total Liabilities | 12,954,437 | 13,416,553 |
|--------------------------|-------------------|-------------------|

| | | |
|-----------------------------------|------------|------------|
| Regular Reserve | 13,617,948 | 13,617,984 |
| Undivided Earnings | 79,384,518 | 75,036,909 |
| Unrealized Gain-Equity Securities | 2,102,620 | 751,320 |

| | | |
|---------------------|-------------------|-------------------|
| Total Equity | 95,105,086 | 89,406,177 |
|---------------------|-------------------|-------------------|

| | | |
|---------------------------------------|------------------------|----------------------|
| Total Liabilities & Equity | \$1,114,149,062 | \$904,609,226 |
|---------------------------------------|------------------------|----------------------|

Unaudited financial statement. Fiscal year ends June 30.



Grateful for you!

The friendly team from our RiverPark branch give a shoutout to members.

With sincerest appreciation

We are deeply grateful to the following individuals who have served VCCU for many years in their volunteer roles on the Supervisory Committee and Board of Directors. We wish them an enjoyable retirement and dedicate this Annual Report to them.

Pat Madden

Years of service: 1980–2021

Danielle Brinkman

Years of service: 2010–2021



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