



2020 ANNUAL REPORT

# VEMBRACE

VACATIONLAND FEDERAL CREDIT UNION

Federally Insured by NCUA



# EMBRACE PERSEVERANCE

The Annual Meeting of the Credit Union's owners will be held at 8:00 A.M. on Wednesday, March 10, 2021 via Zoom.



## HELPING OUR MEMBERS GROW AND SUCCEED AT EACH MILESTONE FOR 65 YEARS

From modest roots to a thriving community credit union, VacationLand Federal Credit Union embraces what it takes to provide products and services that benefit our members now, and well into the future. Our members give us the strength and motivation to move forward.

PATIENCE AND  
PERSEVERANCE  
HAVE A MAGICAL  
EFFECT BEFORE  
WHICH DIFFICULTIES  
DISAPPEAR AND  
OBSTACLES VANISH.

JOHN QUINCY ADAMS



# EMBRACING OUR ROOTS

## AND PUTTING OUR MEMBERS FIRST AND FOREMOST

VacationLand Federal Credit Union, (the Credit Union), was founded in 1956 by employees of the Sandusky, Ohio General Motors Plant. In 2001, the Credit Union expanded its field of membership including anyone who lives, works, worships, attends school or has a business or organization in Erie County, Ohio.

In 2010, the Credit Union extended its membership into Huron County, Ohio by merging with School Employees Federal Credit Union (SEFCU) to include employees of the Boards of Education who work in Huron County and employees of the Board of Education of EHOVE Joint Vocational School in Erie County.

In 2017, the Credit Union expanded its membership through the merger with the Sandusky Ohio Edison Employees Federal Credit Union. Membership eligibility extends to employees of the Ohio Edison Company who work in Sandusky, Bellevue, Port Clinton or Norwalk, Ohio; spouses of persons who died while within the field of membership of this credit union; retired persons, members of their immediate families; and organizations of such persons.

In 2020, the Credit Union once again expanded its field of membership to include anyone who lives, works, worships or attends school or has a business organization in Huron County, Ohio; York Township in Sandusky County, Ohio; Adams, Thompson, Reed or Venice Townships in Seneca County, Ohio; and the Village of Green Springs, Ohio.

Today, VacationLand Federal Credit Union is a member-owned, not-for-profit financial cooperative dedicated to being the lifetime financial institution of its members, by providing services at lower or no fees, or loans with lower rates plus deposit products with higher dividend rates.

VacationLand Federal Credit Union is a federally chartered credit union, regulated by the National Credit Union Administration (NCUA), an agency of the federal government. Credit unions are the only democratically controlled financial institution in the U. S. Members elect a volunteer board of directors to govern the credit union. In contrast, banks are for-profit entities, governed by a paid board of directors, with all profits benefitting the bank shareholders.

The credit union offers its members a full suite of financial products including mortgage, home equity, consumer and credit card loans and a wide array of savings, checking, money market and certificate deposit products.

A woman with curly hair and glasses, wearing a blue denim shirt and jeans, is sitting on a stool in a warehouse. She is looking down at a cardboard box on a wooden table. The background shows stacks of boxes and industrial shelving. The lighting is warm and focused on the woman and the box.

## EMBRACE GROWTH

With \$283 million in assets, VacationLand Federal Credit Union, headquartered in Sandusky, Ohio serves over 20,100 members, businesses and organizations at five branch offices and 10 ATMs in the cities of Sandusky, Huron, Norwalk and Vermilion. We serve our members at over 6,000 CO-OP Shared Branches and at over 32,000 MoneyPass and over 4,900 Alliance One surcharge-free ATM locations in the United States. Through 24-hour online banking, Remote Deposit Capture and CU\*Talk Telephone Account Access, we serve members wherever they are.

Member depository accounts are insured up to \$750,000. The first \$250,000 of insurance is provided by NCUA's National Credit Union Share Insurance Fund. The remaining \$500,000 is provided by private insurance from Excess Share Insurance Company, paid for by VacationLand Federal Credit Union.



The Credit Union supports community employment opportunities by funding local small businesses. Business loan products include equipment, auto, truck, lines of credit and commercial real estate loans.

VacationLand Federal Credit Union is a member of Corporate One Federal Credit Union and Corporate Central Credit Union, National Credit Union Administration's Central Liquidity Facility, Federal Reserve Bank of Cleveland's Discount Window and the Federal Home Loan Bank of Cincinnati. VacationLand Federal Credit Union is an Equal Opportunity Employer and an Equal Housing Lender.

VacationLand Federal Credit Union received Low-income Designation through the NCUA, providing benefits to VacationLand to help serve members who have challenges accessing financial products and services. Low-income Designation benefits include:

- »» Accepting non-member deposits from any source
- »» A gateway to community development financial institution (CDFI) certification
- »» Opportunities to apply for grants and low-interest loans

## OUR VISION

To be our members' chosen lifetime financial partner and to improve our communities for future generations.

## OUR MISSION

Guided by our core values, we exist as a not-for-profit cooperative to serve and surpass by providing value and financial freedom.



# TOO



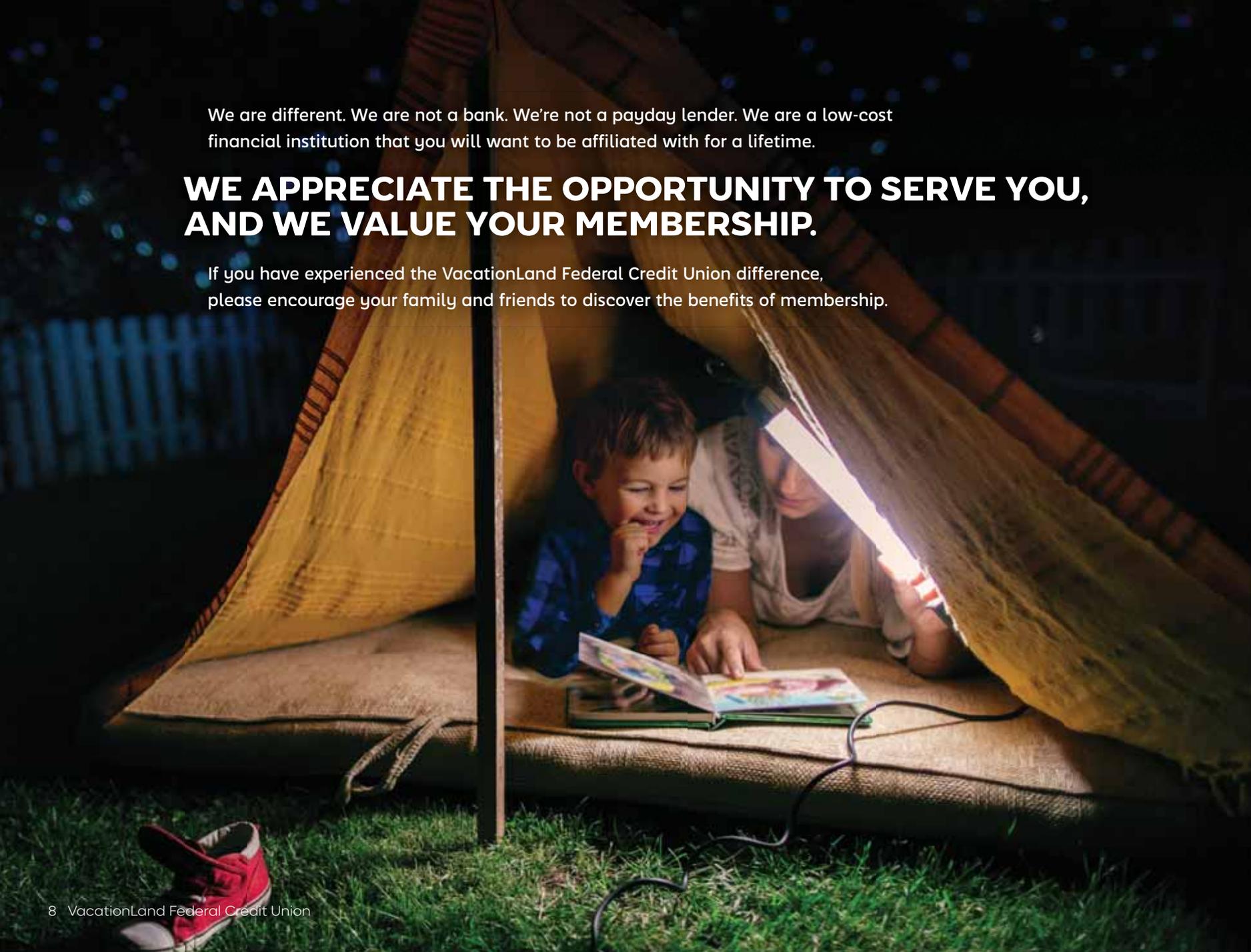
# EMBRACING GETHERNESS

VacationLand Federal Credit Union is much more than a place for banking. We live and work in northern Ohio, and we're dedicated to helping our members and our communities prosper and thrive. Every member of VLFCU is part of our family.

**We care about you and your well-being instead of the bottom line.**

When you become a member, you become a shareholder of VacationLand Federal Credit Union. We'll work for you as we work with you to manage your finances, invest in a new home or business, or save for retirement.

**Working together, we can all succeed.**



We are different. We are not a bank. We're not a payday lender. We are a low-cost financial institution that you will want to be affiliated with for a lifetime.

## **WE APPRECIATE THE OPPORTUNITY TO SERVE YOU, AND WE VALUE YOUR MEMBERSHIP.**

If you have experienced the VacationLand Federal Credit Union difference, please encourage your family and friends to discover the benefits of membership.

**WE ARE MEMBER-OWNED** As a member-owner, regardless how much you

**1** save or borrow, you determine who serves on the Board of Directors. You have one vote for each open Board of Director seat. Also, as a member-owner, annual meetings are open to you. We encourage you to attend.

**WE ARE NOT-FOR-PROFIT** We are out to protect your wallet, not fill our

**2** own! We return profits to you, the members, in the form of lower loan rates, higher dividend rates, and low or no fees for services.

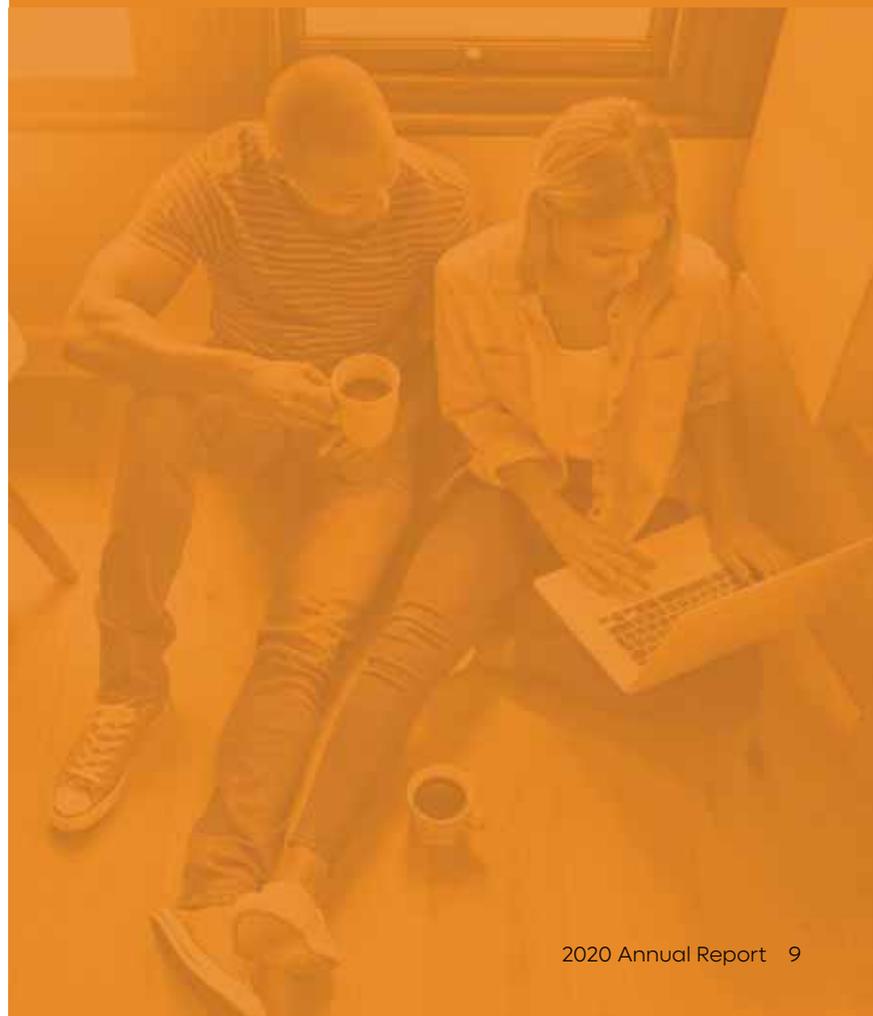
**WE ARE A COOPERATIVE** Cooperatives pool resources for the

**3** common good. In like fashion, depositors of VacationLand Federal Credit Union pool funds to lend to one another. Through our structure and operation, credit unions carry out the credit union philosophy of “people helping people.” At VacationLand Federal Credit Union, you’re not just an account number—you’re a member helping other members.

**WE ARE VOLUNTEER DRIVEN** Each member of our Board of

**4** Directors is an unpaid volunteer you have elected to work in your best interest. Directors serve on Asset/Liability Management, By-Laws, Policy, Facilities, Marketing and Nominating committees, assisting management in making decisions on how to improve member products, service and operational efficiencies.

# HOW ARE WE DIFFERENT FROM OTHER FINANCIAL INSTITUTIONS?



A photograph of three hikers with large backpacks crossing a log bridge over a stream in a forest. The hiker in the foreground is wearing a teal jacket and dark pants, using a green trekking pole. The hiker in the middle is wearing a red jacket and dark pants. The hiker in the background is wearing an orange jacket and dark pants. The stream is on the left, and the forest is on the right. The text "EMBRACE THE UNKNOWN" is overlaid in white, bold, sans-serif font across the center of the image.

**EMBRACE  
THE UNKNOWN**

A scenic view of a mountain valley. In the foreground, a river flows through a dense forest of tall, thin trees. The water is clear and reflects the surrounding greenery. In the background, a large, rugged mountain peak rises against a clear sky. The overall atmosphere is peaceful and natural.

## PROVIDING STEADY DIRECTION IN A YEAR OF UNCERTAINTY

If ever there was a time to prove our dedication, 2020 was the year. Despite ever-changing circumstances, our caring staff went above and beyond to provide our members with exemplary service.

## GOVERNING BODIES OF YOUR CREDIT UNION

# BOARD OF DIRECTORS

The 2020 Board of Directors is comprised of seven volunteers, elected by you, the members, who are responsible for the governance, direction and control of the affairs of VacationLand Federal Credit Union in accordance with National Credit Union Administration rules and regulations and sound business practices.



The Board of Directors dedicates its time and talent to make VacationLand Federal Credit Union a premier credit union. It delegates the day-to-day activities through policies to Senior Management of the credit union.

Directors serve for a term of three years with terms expiring at the end of each annual meeting. The Director positions expire as follows: three Director Positions expire in one year and two Director Positions in each of the succeeding two years.

Monthly meetings are held by the Board of Directors to conduct the business of the credit union by reviewing its performance and policies. Once per year the Board of Directors also meets with Senior Management for a full day session to develop the three-year strategic plan.

**WE CANNOT  
DIRECT THE WIND,  
BUT WE CAN  
ADJUST THE SAILS.  
DOLLY PARTON**



**Jude Hammond**  
Chairman (2022)  
Asset/Liability Management,  
By-Laws, Nominating



**Jan Sadoski**  
Vice Chairman (2021)  
Policy



**Marcia Renande**  
Secretary (2023)  
Asset/Liability Management,  
Marketing



**Tracy Luc**  
Treasurer (2021)  
By-Laws



**Joel Hassinger**  
Director (2022)  
Facilities, Nominating



**Christine Giardina**  
Director (2023)  
Asset/Liability Management



**Elmer Lippert**  
Director (2021)  
Asset/Liability Management



# SUPERVISORY COMMITTEE

WILLIAM STAUDER, CHAIRMAN

The Supervisory Committee consists of members appointed by the Board of Directors to serve one to three year terms. These volunteers are responsible for assuring the safety of the credit union's assets and deposits, the soundness of management and compliance with various financial and regulatory requirements.

In fulfilling these responsibilities, the Supervisory Committee recommends to the Board of Directors for ratification the appointment of an independent audit firm to annually examine the financial statements of the credit union.

An audit of the 2020 financial statements is being conducted by Doeren Mayhew CPAs and Advisors. The 2019 audit report stated that VacationLand Federal Credit Union's financial statements present fairly, in all material aspects, our statements of financial position, results of operations and cash flows. The audit report for 2020 will be available on or about April 30, 2021, and you may request a copy of the report from:

Matthew D. Stahl, CPA  
Chief Financial Officer  
2911 Hayes Avenue  
Sandusky, Ohio 44870  
419.609.2718

The National Credit Union Association also conducts periodic examinations of the records, policies, practices and the application of NCUA regulations upon VacationLand Federal Credit Union. VLFUCU was examined by the NCUA during 2019 and is pleased to report that we received a favorable report from the NCUA.

Just like the Board of Directors, the Supervisory Committee also holds monthly meetings to, among other things, review internal audit services, internal



controls and risk management processes, and examinations by regulatory agencies and the independent audit firm.

A representative of the Supervisory Committee attends the monthly Board of Directors meetings and shares their findings. To date, the Supervisory Committee has reported that, in their opinion, VacationLand Federal Credit Union has operated in a fiscally safe and sound manner and, in all material aspects, in accordance with applicable accounting, federal, state, and NCUA regulations.

# THANK YOU TO OUR MEMBERS

The 2020 Supervisory Committee members are: William Stauder, Theresa Barylski, Christopher Palmer, Lynn Sartor and Jacquelyn Streng. We are hopeful that 2021 will be another good year for VacationLand Federal Credit Union as we all work together to serve you, our members.



**SUCCESS IS TO BE MEASURED NOT SO MUCH BY THE POSITION THAT ONE HAS REACHED IN LIFE AS BY THE OBSTACLES WHICH HE HAS OVERCOME.**

BOOKER T. WASHINGTON

2020 will be a historical year. It will be long remembered for the challenges that faced our world and our country. We took on the challenge of a worldwide pandemic. There was civil unrest driven by concerns over racial injustice. The year of turmoil culminated with a controversial presidential election and a subsequent attack on our Capitol in Washington, D.C. Through it all, we have prevailed. For those who have experienced a loss of a friend or family member, our Board and staff extend our deepest sympathies.

At VacationLand, we took on the challenges and saw opportunities. We became actively involved in helping our business partners obtain much needed stabilization funds from the Federal Government. Our staff worked hard to maintain our service to members while limiting access to our branches. We have learned from our experiences and are prepared to serve in alternative ways to help our members.

Our planning and positioning of our finances preceding the COVID-19 pandemic was put to the

A MESSAGE FROM

## JUDE T. HAMMOND

CHAIRMAN OF THE BOARD OF DIRECTORS

test and we succeeded in sustaining the credit union. Our net income was down from previous years; however, we did end the fiscal year with our earnings exceeding our expenses.

One positive note from 2020 was the fact that the National Credit Union Association has allowed us to expand our field of membership to include all of Huron County and portions of Sandusky and Seneca counties. We have started to market into our new communities. We will also be looking to find a location for a new branch once we have the restrictions on access to our facilities lifted for an extended period.



It may be premature to make predictions about what will happen in 2021, but we feel that we are positioned well to take on the challenges that will face our community.

**OUR FUTURE LOOKS BRIGHT!  
WE CAN AND WILL SURVIVE!**

We thank you all for making us your primary financial institution.

**EMBRACE  
THE FUTURE**



# EMBRACING CHALLENGES



A MESSAGE FROM

## BRYAN P. MYERS

CHIEF EXECUTIVE OFFICER

The past year, 2020, undeniably, posed some very unique challenges for our credit union, from both operational and financial perspectives. The COVID-19 pandemic created not only a huge impact on our personal lives but as well affected how we conducted our everyday business. Following the guidance offered by local and state government along with the CDC, we installed plexiglass protection barriers, special filtration units on our HVAC systems, and we purchased PPE (personal protective equipment) to protect against the spread of the disease among staff and members interacting in our buildings. In addition, members' use of VLFCU's existing remote platforms such as on-line banking, mobile banking, bill pay, and remote deposit helped to alleviate lobby traffic. And, at times, when our lobbies were mandated to close, staff efficiently took care of members' transactions at the drive-thrus. Despite the

hurdles facing them, our employees rose to the occasion, united in the effort to provide the best possible service to all members.

And, likewise, we are grateful for the patience, cooperation, understanding and most of all the loyalty extended to us by our membership during this past challenging year.

Despite 2020's year-long sharp decline in short and long-term interest rates creating a historic low interest rate environment coupled with the pandemic's overall negative impact on the economy, I am happy to report that our capital position remains strong and our financial ratios remain in line with industry standards. While facing down the year's fiscal challenges, we were still able to assist our members dealing with financial difficulties resulting from job cutbacks or loss by offering loan forbearances, fee waivers and low interest short-term loans among many other accommodations.

The acronym these words spell, "Respect," was for 2020 and will continue to be for 2021 and beyond the driving force behind our pledge to you, our valued membership, of "people helping people."

**VLFCU'S CORE VALUES OF RESOURCEFULNESS, EXCELLENCE, STRATEGY, PASSION, EMPOWERMENT, COMMITMENT AND TRUST WERE PUT TO THE TEST DURING THE PAST YEAR.**



A MESSAGE FROM

# MATTHEW D. STAHL, CPA

CHIEF FINANCIAL OFFICER

VacationLand Federal Credit Union achieved another year of strong financial growth in 2020 with total assets climbing to \$283 million. Three key measures of financial strength continued in 2020: Loans, Deposits, and Capital.

## 2020 IN REVIEW

**Net Income** for the year ending December 31, 2020 declined by 38.7% to \$1,353,834 in 2020, compared to 2019 net income of \$2,207,763. Net income declined from the impact of the COVID-19 induced economic downturn and reductions in the Federal Funds rate by 150 basis points in March 2020.

VLFCU experienced loan growth of 10.6% in 2020. VLFCU provided additional credit to 118 business members through the Paycheck Protection Program, underwriting \$6.3 million in loans.

Loan quality slightly deteriorated in 2020 with net charge-offs to average loans increasing from .37% in 2019 to .41% in 2020; however, delinquencies improved falling from .87% at 2019 year-end to .40% as of 2020 year-end.

**Return on Average Asset (ROAA)** is a key measure of a credit union's financial health. The 2020 ROAA fell 41 basis points from 2019 returning .51% on average assets compared with a 2019 ROAA of .92%. **Net Interest Margin** fell to 3.33% for 2020 compared with 3.75% for 2019 primarily from falling yields on loans and investments from reduced market rates.

**Revenues in 2020** decreased by \$209,951 and totaled \$14,300,710 compared with \$14,510,661 in 2019. Revenue decline was led by a decrease in investment interest income of 9.16% followed by decreases in fees and charges of 1.0% and miscellaneous operating income of 1.0%.

**Total Expenses** increased by \$643,979 in 2020 to \$12,946,876, supported by increases in staffing costs of \$123,846, interest of \$5,433, operating expenses of \$121,195, and an increase in the provision for loan losses of \$435,000 offset by decreases in dividends of \$41,496.

**Total Assets** rose by \$35,938,326 or 14.5%, reaching \$283,039,359 at December 31, 2020. Asset growth was funded by growth in deposits of \$34,493,404, FHLB Borrowings of \$172,857 and net income of \$1,353,834.

**Total Loans** at December 31, 2020 grew by \$17,934,007 as VacationLand Federal Credit Union worked to satisfy member demand for mortgages, auto loans, credit card loans, home equity lines of credit, and member business loans.

**Investments** increased by \$11,177,375 to \$68,538,358 at year-end. **Investment Income** for 2020 fell 9.2%, to \$1,688,164, from decreases in re-investment rates.

**Deposits** rose by 18.0% ending the year at \$226,278,320. Deposit growth was led by increases in share drafts, which increased by 41.9%. In 2020 the United States government issued stimulus checks to assist citizens through the COVID-19 pandemic. VLFCU members received in excess of \$14 million in stimulus checks in 2020, causing a robust increase in the credit union's deposit base.

The Credit Union's **Equity** position climbed to \$29,916,724 at December 31, 2020. The **Capital to Asset Ratio**, another key indicator of the financial strength, fell to 10.07% at December 31, 2020 while the year ago ratio was 10.98%. Both ratios are well above the 7.00% ratio required to be categorized as "Well Capitalized" under National Credit Union Administration regulations for prompt corrective action.

In 2019, VLFCU received a favorable report by the National Credit Union Administration, our federal regulatory agency, substantiating our sound financial management.

## 2021 A LOOK AHEAD

In response to the economic downturn, the Federal Open Market Committee lowered the federal funds rate in March 2020 by 150 basis points to a target federal funds rate of .00% - 0.25% where it remained throughout 2020. Based upon FOMC statements, we anticipate no changes in the federal funds rate in 2021.

We forecast that United States 2021 GDP will grow at a modest rate of 2.0%. We expect the yield curve to slightly steepen with mid-term rates rising 40-50 basis points and longer-term rates rising 20 to 30 basis points.

We anticipate a modest decrease in demand in the auto and home loan markets in 2021. Additionally, we forecast continued moderate growth in the local business sector for 2021. VLFCU's financial mix of earning assets, deposits, borrowed funds and capital, coupled with our three-year financial plan, positions us for success in 2021 and beyond.

We thank our employees, Board and Supervisory Committees for their hard work and dedication to VacationLand. We thank you, our members, for your continued support and look forward to a safe and prosperous 2021.

## Financial Highlights (\*Unaudited)

December 31,	2020	2019	2018	2017	2016
<b>Assets</b>					
Cash and Equivalents	\$ 20,743,342	\$ 13,906,038	\$ 9,733,483	\$ 5,835,484	\$ 9,101,403
Investments	68,538,358	57,360,983	51,427,697	56,137,363	57,592,517
Loans	186,858,284	168,893,279	162,656,691	146,429,833	129,820,630
(less) Allowance for Loan Loss	(1,994,434)	(1,647,752)	(1,648,114)	(1,354,463)	(1,170,428)
Land, Building and Equipment, net	6,529,362	6,271,422	6,535,928	5,577,607	5,957,890
Other Assets	2,364,446	2,317,063	2,285,395	2,573,771	1,697,424
<b>Total Assets</b>	<b>\$ 283,039,359</b>	<b>\$ 247,101,033</b>	<b>\$ 230,991,080</b>	<b>\$ 215,199,595</b>	<b>\$ 202,999,436</b>
<b>Liabilities</b>					
Other Liabilities	\$ 422,182	\$ 1,706,761	\$ 1,306,826	\$ 1,069,740	\$ 2,512,169
Notes Payable	26,422,133	26,249,276	23,656,249	21,384,043	17,770,367
<b>Total Liabilities</b>	<b>26,844,315</b>	<b>27,956,037</b>	<b>24,963,075</b>	<b>22,453,783</b>	<b>20,282,536</b>
Share Drafts	44,169,764	31,129,260	30,880,958	27,186,456	25,486,130
Shares	136,910,210	112,671,424	110,429,982	112,274,208	106,426,776
Certificates	40,183,547	42,468,332	35,506,709	28,411,579	28,682,992
Non-member Certificates	5,014,798	5,515,900	4,459,104	2,278,128	1,340,000
<b>Total Shares</b>	<b>226,278,320</b>	<b>191,784,916</b>	<b>181,276,753</b>	<b>170,150,371</b>	<b>161,935,898</b>
<b>Owners Equity (Capital)</b>					
Regular Reserves	2,870,959	2,870,959	2,928,513	2,928,513	2,870,959
Accum. Unrealized Gain/(Loss) - AFS	1,418,912	216,103	(184,962)	(135,957)	(153,424)
Undivided Earnings	25,626,852	24,273,018	22,007,701	19,802,885	18,063,467
<b>Total Equity</b>	<b>29,916,724</b>	<b>27,360,080</b>	<b>24,751,252</b>	<b>22,595,441</b>	<b>20,781,002</b>
<b>Total Liabilities &amp; Owners Equity</b>	<b>\$ 283,039,359</b>	<b>\$ 247,101,033</b>	<b>\$ 230,991,080</b>	<b>\$ 215,199,595</b>	<b>\$ 202,999,436</b>
<b>Income</b>					
Loan Interest	\$ 9,000,011	\$ 9,001,674	\$ 8,204,527	\$ 7,153,717	\$ 6,626,475
Investment Interest	1,688,164	1,858,409	1,849,357	1,651,407	1,460,049
Non-interest Income	3,586,228	3,621,678	3,442,985	3,207,838	3,183,913
Gain/(Loss) on Sale of Assets	26,307	28,900	63,197	2,303	55,781
<b>Total Income</b>	<b>14,300,710</b>	<b>14,510,661</b>	<b>13,560,066</b>	<b>12,015,265</b>	<b>11,326,218</b>
<b>Expenses</b>					
Staffing	5,151,605	5,027,759	4,704,023	4,373,026	4,165,893
Dividends	1,251,737	1,293,233	848,661	579,889	566,475
Interest Expense on Borrowings	610,632	605,199	476,969	427,075	346,420
Provision for Loan Losses	1,045,000	610,000	845,000	700,000	565,000
Operating Expenses	4,887,902	4,766,707	4,480,597	4,266,529	4,040,338
NCUA Stabilization Expense	0	0	0	0	0
<b>Total Expenses</b>	<b>12,946,876</b>	<b>12,302,898</b>	<b>11,355,250</b>	<b>10,346,519</b>	<b>9,684,126</b>
<b>Net Income</b>	<b>\$ 1,353,834</b>	<b>\$ 2,207,763</b>	<b>\$ 2,204,816</b>	<b>\$ 1,668,746</b>	<b>\$ 1,642,092</b>
<b>Financial Ratios</b>					
Return on Average Assets (ROAA)	0.51%	0.92%	0.99%	0.80%	0.85%
Net Interest Margin	3.33%	3.75%	3.91%	3.73%	3.71%
Operating Expenses to Average Assets	3.79%	4.10%	4.12%	4.13%	4.24%
Efficiency Ratio	70.33%	67.63%	68.05%	71.92%	72.81%
Loans to Shares	82.58%	88.08%	89.75%	86.08%	80.17%
Allowance for Loan Loss to Total Loans	1.07%	0.98%	1.01%	0.92%	0.90%
Net Charge-offs to Average Loans	0.41%	0.37%	0.36%	0.37%	0.39%
Delinquent Loans to Total Loans	0.40%	0.87%	0.49%	0.63%	0.61%
Capital to Assets	10.07%	10.98%	10.80%	10.56%	10.31%
<b>Distribution of Income</b>					
Operating Expenses	\$ 10,039,506	\$ 9,794,466	\$ 9,184,620	\$ 8,639,555	\$ 8,206,231
Dividends	1,251,737	1,293,233	848,661	579,889	566,475
Capital	2,398,834	2,817,763	3,049,816	2,368,746	2,207,092
<b>Number of Members</b>	<b>20,184</b>	<b>19,810</b>	<b>19,435</b>	<b>18,847</b>	<b>18,113</b>
<b>Number of Employees</b>	<b>68</b>	<b>73</b>	<b>72</b>	<b>72</b>	<b>71</b>

\* Copies of audited Financial Statements are available upon request

WHEN YOU GET INTO  
A TIGHT PLACE AND  
EVERYTHING GOES  
AGAINST YOU... NEVER  
GIVE UP THEN, FOR  
THAT IS JUST THE  
PLACE AND TIME THAT  
THE TIDE WILL TURN.

HARRIET BEECHER STOWE



## A MESSAGE FROM THE TREASURER OF THE BOARD OF DIRECTORS **TRACY LUC**

### **2020 EARNINGS AND MEMBERSHIP GROWTH**

Thanks to the loyalty of our long-term members and the influx of new members, I am pleased to report despite the Coronavirus pandemic and its impact on financial institutions that VacationLand Federal Credit Union maintained a healthy financial position throughout 2020. Net Income for 2020 was \$1,353,834. The 2020 Return on Average Assets dipped to .51%, compared to .92% in 2019.

Year over year membership growth is 1.9% growing from 19,810 in 2019 to 20,184 at 2020 year-end, a direct result of the efforts from management and staff to provide uncommon member service. We have managed the credit union with integrity, protecting its safety and soundness, and thereby fostering the confidence of our members and our service communities.

### **DEPOSIT INSURANCE COVERAGE UP TO \$750,000**

VacationLand Federal Credit Union's deposit insurance coverage is up to \$750,000 on all Depository accounts. The NCUA's National Credit Union Share Insurance provides the first \$250,000 of deposit insurance. The remaining \$500,000 level of deposit insurance is provided by private insurance from Excess Share Insurance Company, paid for by VacationLand Federal Credit Union.

More and more individuals, families and small local businesses are discovering the benefits of a not-for-profit financial cooperative and are moving their money from banks to credit unions. This year, our deposits grew by 18.0% or \$34.5 million to over \$226.2 million compared with a 5.8% growth during 2019 of \$10.5 million. Rising deposits indicate member confidence in VacationLand Federal Credit Union, especially during this uncertain economic times. Also, rising deposits provided funding for our members to secure loans to buy homes, cars and Member Business lending.

### **2021 AND BEYOND**

VacationLand Federal Credit Union makes decisions with our members' long-term interests in mind. We will continue our history of giving back to our members in the form of better rates, low or no fees and more affordable financial services. As in past years, we continue to do our best to deliver member-driven service as evidenced by continued capital investments in our information technology and related software, ATM network, and website. Thank you for your confidence and loyalty in our credit union.

#### NET INTEREST MARGIN/AVERAGE ASSETS



#### EFFICIENCY RATIO



#### CAPITAL/ASSET RATIO



#### MEMBERS



#### RETURN ON AVERAGE ASSETS



## EMBRACING COMMITMENT

On behalf of the Board of Directors, we wish to extend our thanks to the staff and management for meeting the financial needs of our members with such great care and commitment.

# EMBRACE COMMUNITY



A woman with brown hair, wearing a red long-sleeved shirt and a purple headband, is seen from the back, drawing a red heart on a dark grey chalkboard. The chalkboard is part of a stone wall and has the words "EVERYTHING WILL BE OK!" written on it in various colors of chalk. To the right of the text is a red flower drawing. The scene is outdoors, with green bushes and a path visible on the right side.

EVERYTHING

WILL BE

OK!

## STAYING INVOLVED IN THE COMMUNITY MEANT GETTING INNOVATIVE

Getting out in the community is a top priority for us, but fundraisers and community events were nearly all cleared from the calendar, and schools were meeting virtually in 2020. This meant that we needed to find creative ways to be involved in our community.

A MESSAGE FROM THE MARKETING DIRECTOR

# HEATHER GILCHRIST

## WE HIT THE ROAD IN 2020

Finding creative ways to stay involved with our

community, we hit the road in our VLFCU Van. Our staff first set their sights on our six scholarship recipients. Since we couldn't attend scholarship award ceremonies, we celebrated by dropping in on these unsuspecting high school graduates at their homes. Big checks and balloons in-hand, we showed up on their doorsteps while parents video-taped and took pictures. This was so much fun, that it may become a new tradition!

We filled our summer by partnering with a few community organizations. We helped spread cheer during OHgo's summer community dance parades and the Remember Crusin' Car Club parades through downtown Sandusky, OVH and local nursing homes. VLFCU also partnered with the Nehemiah Center on Memorial Day to provide free meals to anyone in Sandusky who needed them.

As summer ended, Stuff the Bus Erie County was in full swing. This annual cause is in cooperation with the Sandusky Mall, United Way of Erie County, VLFCU, and all school districts in Erie County. The VLFCU van was utilized to deliver donation boxes to area businesses and pick up donated school supplies. This year, parents were able to register their elementary students on the VLFCU website. The Sandusky and Perkins Police Departments were instrumental in assisting with inventory and preparing the backpacks. Overall, this was a successful community partnership.



WE CAN CHANGE  
THE WORLD  
AND MAKE IT A  
BETTER PLACE.  
IT IS IN YOUR  
HANDS TO MAKE A  
DIFFERENCE.

NELSON MANDELA

Another successful community event was the 13th Annual BAS Broadcasting Coats for Caring campaign. VLFCU has been a sponsor of this winter apparel drive since its conception and was happy to host a final drive-up day at our Hayes Avenue branch. The outpouring of donations was amazing, including the hundreds of items donated by Goodwill. The donations were cleaned by Maytag Laundry and distributed to those in-need in both Erie and Huron counties through government offices, OHgo, and the Salvation Army.

We ended 2020 with the VLFCU Annual Toy Drive. The Sandusky House of Donuts joined in our efforts as a collection site and even provided a free donut to those who donated a toy. Despite a decrease of lobby traffic in our branches, an incredible amount of toys were donated along with an increase in cash donations. This resulted in generous contributions to the Erie County Department of Jobs & Family Services and the Reach Our Youth organization in Huron County.

**WE THANK THE ORGANIZATIONS, BUSINESSES,  
AND VLFCU MEMBERS WHO INVITED OR  
PARTNERED WITH US ON EFFORTS TO IMPROVE  
THE LIVES OF THOSE IN OUR LOCAL COMMUNITIES.  
WE ARE TRULY GRATEFUL AND INSPIRED!**



## GIVING IN A PANDEMIC YEAR

Each year VLFCU makes monetary donations to support local organizations and non-profits. In 2020 such donations were more important than ever, and we made every effort to increase our giving. Following is a list of recipients:

- »» Sandusky Salvation Army
- »» United Way of Erie County
- »» The United Fund of Norwalk
- »» Erie County Economic Development Corporation
- »» Norwalk Economic Development Corporation
- »» Sandusky Club of Black Business & Professional Women
- »» Second Harvest Food Bank
- »» BGSU Firelands Scholarship Fund
- »» Humane Society of Erie County
- »» Kiwanis Club of Sandusky
- »» Kiwanis Club of Norwalk
- »» Sandusky Artisans Recovery Community Center
- »» Firelands Positive People
- »» Firelands Association of Realtors Charitable Foundation
- »» Night to Shine Virtual Prom
- »» OHgo
- »» Safe Harbour Domestic Violence Shelter
- »» Sandusky Aquatic Center Project
- »» The Nehemiah Center

Monetary sponsorships were also granted for the following fundraisers:

- »» Community Youth Mentoring Bowl for Kids' Sake
- »» Fisher-Titus Foundation Golf Tournament
- »» Stein Hospice Golf Outing
- »» Foundation for Firelands Caddy Shack Golf Outing
- »» Volley for a Cure benefiting Cancer Services
- »» Remember Crusin' Car Club Friday Night Cruises

## DOING BUSINESS LOCALLY

At VLFUCU we strive to be more than a lender to our Business Members. In 2020 we showcased our local business partners in the following ways:

- »» We celebrated Credit Union Appreciation Day with a drawing of 31 gift cards from a variety of local businesses.
- »» We featured local businesses in television commercials including: Phil P's Unisex Salon, Mabel & Ethel's Quilt Shoppe, OHgo, and Dave's Food Mart.
- »» We highlighted local businesses and auto dealerships in a monthly blog article on our website and social media.
- »» We invited local businesses to provide monthly offers to our members as part of our 2021 Wall Calendar project (also available at [www.vlfcu.org/offers](http://www.vlfcu.org/offers).)
- »» We renewed our holiday sponsorship at the Sandusky Mall to host our Toy Drive Wrap Up event and distribute holiday goodie bags to children.

THE PRICE OF SUCCESS IS  
HARD WORK, DEDICATION  
TO THE JOB AT HAND, AND  
THE DETERMINATION THAT  
WHETHER WE WIN OR  
LOSE, WE HAVE APPLIED  
THE BEST OF OURSELVES  
TO THE TASK AT HAND.

VINCE LOMBARDI



# EMBRACING SMALL BUSINESS



## INDEPENDENT FINANCIAL ADVISOR

David Karikas, of Preferred Planning Associates, offers more than 31 years of experience in non-deposit investment products **(a)**, insurance and financial advice. David's services are available to VLFCU's members.

David Karikas serves over 900 members with over \$44 million in invested assets. Additional products include Life Insurance, Long-Term Care and Fixed Annuities. David is located at our Perkins Office, 2409 East Perkins Avenue, Sandusky, Ohio or call 419 625.9025 Extension 1777.

***(a) Non-deposit Investment Products: are not FDIC or NCUA insured, are not obligations of or guaranteed by VacationLand Federal Credit Union, involve investment risk and may lose value. David Karikas is a Registered Representative offering securities through Cambridge Investment Research, Inc., a broker/dealer, Member FINRA/SIPC. Cambridge, VacationLand Federal Credit Union, and Preferred Planning Associates are not affiliated companies.***

## LOCATIONS

### CORPORATE HEADQUARTERS

#### HAYES AVENUE BRANCH

2911 Hayes Avenue  
Sandusky, Ohio 44870  
419.625.9025

#### PERKINS AVENUE BRANCH

2409 E. Perkins Avenue  
Sandusky, Ohio 44870  
419.625.9025

#### HURON BRANCH

2402 University Drive  
Huron, OH 44839  
419.433.3229

#### NORWALK BRANCH

295 Milan Ave, Suite C  
Norwalk, Ohio 44857  
419.668.6346

#### VERMILION BRANCH

1607 State Road, Suite 11  
Vermilion, Ohio 44089  
440.967.5155

**Phone:** 419.625.9025 or 800.691.9299

**CU\*Talk:** 419.621.8328 or 877.256.3336

**Website:** [www.vlfcu.org](http://www.vlfcu.org)

## CONNECT WITH US ON SOCIAL MEDIA

 /VacationLandFCU

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 /company/VacationLandFCU



*Your lifestyle. Your banking. **Connected.***

## ATM LOCATIONS

All five of our branches are equipped with ATMs to provide 24-hour access to cash funds. Additionally, members can access their accounts at the following business locations:

### FIRELANDS REGIONAL MEDICAL CENTER

1111 Hayes Avenue  
Sandusky, OH 44870  
2nd Floor – Vending Machine Area

### FIRELANDS HOSPITAL – SOUTH CAMPUS

1912 Hayes Avenue  
Sandusky, OH 44870  
Lower Level – Near Elevators

### SPORTS FORCE PARKS AT CEDAR POINT SPORTS CENTER

(Seasonal Availability)  
3115 Cleveland Road W  
Sandusky, OH 44870

### VERMILION - MAIN STREET SODA GRILL

5502 Liberty Avenue  
Vermilion, OH 44089  
Walk-Up ATM – East Side of Building

## INDEPENDENT AUDITORS

Doeren Mayhew, CPAs and Advisors  
305 West Big Beaver Road  
Troy, Michigan 48084

## PRIVACY POLICY

The Privacy Policy of VacationLand Federal Credit Union describes how we safeguard our members' financial privacy. Your financial privacy is our priority. For more information, visit us at [www.vlfcu.org](http://www.vlfcu.org) or call 419.625.9025.



**ESI EXCESS SHARE**  
**INSURANCE**

Federally Insured by NCUA