



UNIVERSITY OF VIRGINIA
COMMUNITY
CREDIT UNION

**WHAT A DIFFERENCE
A YEAR MAKES**

2020

ANNUAL REPORT

21



WHAT A DIFFERENCE A YEAR MAKES. HOWEVER, SOME THINGS REMAIN THE SAME.

“

AS WE CONTINUE TO NAVIGATE OUR NEW LANDSCAPE, WE ARE HUMBLLED IN THE TRUST YOU HAVE PLACED IN US.”

TO OUR MEMBER-OWNERS

Sixty-seven years ago UVA Community Credit Union was built on a foundation of service to our community. Each year we have continued to build on that foundation by serving our members and conducting our business with the highest standards. Even faced with a global pandemic, 2020 proved to be no exception. **OUR TEAM WORKED TOGETHER WITH ONE SHARED VISION, TO BENEFIT OUR GREATER COMMUNITY.** Because we are anchored by our values, we were well capitalized with a high net worth ratio and ample liquidity to meet the needs of our members.

During a year filled with so much uncertainty, the health, safety, and financial well-being of our members was at the forefront of every decision that we made. As an essential provider, early in the spring we quickly shifted our operations to safely and effectively serve your needs. For so many, the need for financial assistance became rapidly evident, and so our focus turned to helping members who were economically impacted. Our many member emergency assistance and loan modification programs helped individuals and families weather the unpredictability of a turbulent financial climate. Hundreds of business members also received financial relief through the Credit Union, and we were happy to offer assistance with the Paycheck Protection Program, which helped save area businesses and jobs.

Even amidst our COVID-19 response, we were pleased to offer new services to our members. In 2020, we were excited to launch our Visa® Member Rewards Credit Card that brings contactless payments to our members. At a time of social distancing, this card can safeguard member health while providing rewards on essential everyday spending. Turning rewards points into cash can also help put more funds into our member-owners' pockets.

WE WERE GRATEFUL TO CONTINUE PROGRAMS THAT FURTHER ASSISTED THE COMMUNITY IN 2020. We once again partnered with the Cville Tax Aid Coalition to provide free tax preparation and help fight poverty through promotion of the Earned Income Tax Credit. We also provided scholarships to students, volunteered our time, and donated to worthy causes. Our annual holiday events like the Warrenton Christmas Parade and Charlottesville's Grand Illumination were reimaged for 2020 to accommodate social distancing. We were so glad to celebrate the season with our community.

With 2020 behind us, we are optimistic about the years ahead. We would like to acknowledge our dedicated employees as well as our volunteer Board of Directors and Supervisory Committee for their unwavering service throughout the pandemic. **ALL OF US AT UVA COMMUNITY CREDIT UNION TAKE PRIDE IN OUR SERVICE TO YOU.** We continue to be genuinely grateful to all our members and thank you for the opportunity to be here for you, now and in the future.

Jeffrey C. Moscicki
Chairman of the Board

Alison DeTuncq
President/CEO



RANKED
TOP 7%

OF ALL U.S.
CREDIT UNIONS BY
ASSET SIZE

SERVING THE
COMMUNITY SINCE

1954

OVER
71,000

MEMBERS AND
GROWING

SUPERVISORY REPORT

The UVA Community Credit Union Board of Directors appoints a Supervisory Committee to protect the interests of the Credit Union's members. It is charged with reviewing Credit Union operations, conducting an annual audit, evaluating and upgrading internal control procedures, and safeguarding member assets.

The Supervisory Committee adheres to the mandates of the Federal Credit Union Act and complies with all National Credit Union Administration (NCUA) rules and regulations. The Credit Union prepares reports quarterly for the State Corporation Commission and NCUA.

This year, the Supervisory Committee commissioned the accounting firm of Crowe LLP of Washington, D.C., to conduct the annual audit. It was performed in accordance with generally accepted auditing standards followed in the United States and included tests of the accounting records and systems. Crowe LLP issued an unmodified opinion that the Credit Union's December 31, 2020, consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Credit Union and its subsidiaries.

The UVA Community Credit Union Supervisory Committee extends its sincere appreciation to the board, management, and staff of the Credit Union and to the accounting firm of Crowe LLP for their cooperation and service during the audit.



Ralph W. Traylor
Chairman, Supervisory Committee

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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$117,345,515	\$94,725,209
Interest-bearing deposits	1,242,000	1,344,000
Available-for-sale investments	423,042,745	339,980,734
Loans held for sale	2,084,588	2,850,020
Loans to members, net of allowance for loan losses	603,238,954	533,461,036
Accrued interest receivable	3,046,829	2,707,917
Property and equipment	18,930,430	19,107,762
Prepaid and other assets	32,272,942	23,941,620
National Credit Union Share Insurance Fund deposit	9,416,555	8,003,193
Total assets	\$1,210,620,558	\$1,026,121,491
Liabilities and Members' Equity		
Liabilities:		
Members' shares and savings accounts	\$1,073,358,336	\$891,645,643
Borrowed funds	—	8,697,782
Accrued expenses and other liabilities	12,776,609	13,253,405
Total liabilities	1,086,134,945	913,596,830
Members' equity:		
Regular reserve	3,817,707	3,817,707
Undivided earnings	109,952,914	105,236,333
Equity acquired in business combination	494,996	494,996
Accumulated other comprehensive income	10,219,996	2,975,625
Total members' equity	124,485,613	112,524,661
Total liabilities and members' equity	\$1,210,620,558	\$1,026,121,491

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TOTAL ASSETS (\$)

2017	914M
2018	954M
2019	1.03B
2020	1.2B

TOTAL SHARES (\$)

2017	809M
2018	838M
2019	892M
2020	1.07B

CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Interest income		
Loans to members	\$24,284,417	\$24,236,434
Investments	8,010,802	9,329,671
Total interest income	32,295,219	33,566,105
Interest expense		
Members' shares and savings accounts	3,447,854	4,152,800
Borrowed funds	179,267	288,453
Total interest expense	3,627,121	4,441,253
Net interest income	28,668,098	29,124,852
Provision for loan losses	874,321	1,335,892
Net interest income after provision for loan losses	27,793,777	27,788,960
Non-interest income		
Fees and charges	5,167,720	6,181,302
Interchange income	4,594,020	4,406,015
Gain on sale of mortgage loans	1,579,675	1,128,564
Gain on sale of investments	617,912	410,597
Other operating income	967,570	1,611,963
Total non-interest income	12,926,897	13,738,441
Non-interest expenses		
Compensation and benefits	21,608,848	20,667,370
Office operations	5,580,245	5,335,255
Card services	2,699,980	2,467,406
Office occupancy	2,374,607	2,440,649
Other	3,740,413	3,818,253
Total non-interest expenses	36,004,093	34,728,933
Net income	\$4,716,581	\$6,798,468

NET LOANS TO MEMBERS (\$)

2017	442M
2018	491M
2019	533M
2020	603M

NET WORTH RATIO (%)

2017	10.68
2018	10.89
2019	11.03
2020	10.04

HIGHLIGHTS

Member Loan Modifications and Extensions

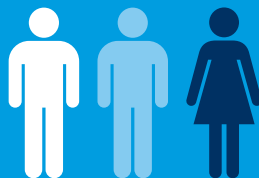
Committed to being here for you, the Credit Union provided member-focused products and programs. We helped empower our members, and our community at-large, to protect their finances. Throughout 2020 we worked with 665 members who were economically impacted by the pandemic by

PROVIDING LOAN MODIFICATIONS AND EXTENSIONS TOTALING MORE THAN

\$17M

Cville Tax Aid Coalition

We promote financial resiliency during tax time. We partnered with the IRS, United Way-Thomas Jefferson Area, the University of Virginia, and other local nonprofits to provide free tax preparation assistance and promote the use of the Earned Income Tax Credit (EITC) for eligible taxpayers in our community. The EITC is one of the federal government's largest anti-poverty programs. This IRS-certified program also prevents the use of predatory tax preparation services. In 2020, we prepared approximately 540 tax returns at six volunteer income tax assistance (VITA) locations, **GENERATING AN ECONOMIC IMPACT OF JUST UNDER \$1.1 MILLION FOR OUR COMMUNITY.**



Small Business Relief

Small businesses are the heartbeat of our local economy. Many businesses needed our assistance more than ever during the pandemic. Our Credit Union, under the direction of our Business Services team, worked tirelessly to offer assistance options, like the Paycheck Protection Program (PPP). **WE ARE GRATEFUL TO HAVE HELPED 246 LOCAL BUSINESSES THROUGH THE PPP** and to have saved countless jobs during difficult times by providing millions of dollars in financial assistance.

246
local businesses helped

HIGHLIGHTS

High School Scholarship Program

Education is something you carry with you for a lifetime. Each year we provide 18 graduating seniors from area public, private, and/or home schools with scholarship assistance. Currently, we are awarding each student \$1,500, an amount that we have gradually increased since starting the program 14 years ago. **Our awarded scholarships have added up to \$273,300.** For the 2019-2020 school year we were pleased to receive a record turnout of over 200 submitted applications, from which we awarded

\$27_k

TOTAL SCHOLARSHIPS
TO 18 STUDENTS

Recognizing Our Essential Employees

The successes we achieved in 2020 would not have been possible without our employees. They remained vigilant and resilient throughout the pandemic. To thank our employees for their ongoing efforts to serve members during the pandemic, **WE CLOSED THE CREDIT UNION ON OCTOBER 19 AND GAVE OUR EMPLOYEES A PAID DAY OFF.** Employees were encouraged to use this the day to step away from work and focus on their well-being. Employees returned refreshed and ready to serve our members. We were overwhelmed by the support of our members as they joined us in thanking our employees throughout the year.



Financial Education

Knowledge is power. We have always had a strong commitment to financial education. In January and February 2020 we conducted 10 financial education seminars in our Education Center, reaching 132 adults. Our educators covered topics such as buying and selling homes, financial organization, building a budget, and maintaining good credit. Following the stay-at-home orders, we held virtual seminars, worked one-on-one with our members, offered parents “It’s a Money Thing” videos and lesson plans to teach their children money management skills, and provided a variety of tips and resources on our social media platforms.



BOARD OF DIRECTORS



JEFFREY C. MOSCICKI
Chairman



PAMELA W. HIGGINS
Vice Chairman



KENNETH M. EADES
Treasurer



ROB WALKER FREER
Secretary



LYNNE RICHMAN BELL
Director



LISA P. HEUCHERT
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J. BARRY JONES
Director



MICHAEL A. MALLORY
Director



BENJAMIN H. MCCARTNEY
Director



MARIE C. MELTON
Director



ROBERT J. NEIL
Director

SUPERVISORY COMMITTEE



RALPH W. TRAYLOR
Chairman



DAVID M. JONES



DOROTHY C. KELLY



CYNTHIA R. MURRAY



COURTNEY J. SHEARER

EXECUTIVE LEADERSHIP

ALISON DeTUNCO
President/CEO

PETER HOLMAN
Chief Financial Officer

KEITH C. O'NEIL JR.
Chief Operating Officer

JOSEPH RAICHEL*
Chief Lending Officer
**As of March 2021*



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INSURED BY NCUA

