



Vantage West  
CREDIT UNION

Annual Report **2020**



Vantage West  
CREDIT UNION

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# OUR PURPOSE

Investing in people today to  
achieve a more prosperous tomorrow.

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# OSCAR S. LIZARDI

## Chair, Board of Directors



Dear Members,

I am pleased to share this message on behalf of the Vantage West Board of Directors. It is the Board's responsibility to represent the Vantage West Membership and ensure the institution operates in a safe and sound manner.

The COVID-19 pandemic undoubtedly presented many challenges, but through it all Vantage West continued to do what credit unions do best—help our Members.

From the very beginning, the credit union put safety practices in place that allowed us to continue serving our Members through our drive-ups and by appointment in our lobbies at most branches. We responded to our Members' financial needs as well. In March of last year, we began waiving fees on early CD withdrawals, skip-a-payments, and payments by phone and continued that practice for an entire year. These fee waivers alone totaled a savings of more than \$800,000 for our Members when they needed it most. We worked one-on-one with Members who lost their jobs or whose hours were cut to help them navigate the sudden drop in income by allowing them to delay or skip loan payments. Our business banking team and team members from across the credit union worked around the clock to get Small Business Administration PPP loans into the hands of as many business Members as possible, totaling approximately \$7 million in loan assistance.

Unlike many large banks, when we received each wave of Economic Impact Stimulus payments, we promptly released the funds to our Members. And, although we could have rejected payments that didn't automatically match Members' accounts, our staff worked nights and weekends to identify the intended recipients and make their funds available. When our new CEO came on board in October, among the first things she did was move team members from support departments and branches to our call center to help reduce call wait times.

These examples illustrate how Vantage West addressed the COVID-19 crisis, putting the needs of our Members first.

Even during this trying year, we were still able to give back \$14.7 million to our Members in direct financial benefits compared to Arizona banks, equaling approximately \$192 per Member household.\* This is a true example of the power of *People Helping People*, the foundation of the credit union movement.

In closing, I would like to thank our team members and our elected and appointed officials for the dedication and fortitude they demonstrated over the last year. I am confident that together we will emerge from this pandemic stronger than ever.

Sincerely,

Oscar S. Lizardi  
Chair, Board of Directors

# \$14.7M

## IN FINANCIAL BENEFITS TO OUR MEMBERS

# SANDRA SAGEHORN-ELLIOTT

## President/Chief Executive Officer



Dear Members,

I arrived at the credit union a little over six months ago when pandemic restrictions were at their height. Onboarding during COVID-19 has been an unusual and challenging experience; I couldn't have done it without the dedicated group of individuals who make up the Vantage West team. I've been impressed with the profound spirit of Member service and teamwork I've seen on display.

From day one, I've listened to feedback from you and our team and have made enhancing your and improving convenience our top priorities. Recent enhancements include:

- Branch appointment scheduling system
- Improved online chat for quicker responses
- Added staffing to the call center resulting in a 30% reduction in average hold time
- Check deposit availability now the same via all channels; mobile app, ATM, or branch
- Redesigned, easier to use website.

Looking ahead, our work to improve convenience and access for you will continue. Our first priority is providing a more streamlined and user-friendly experience when you apply for a loan.

We're also getting ready to roll out a new way for you to contact the credit union when you need help—video chat. And, you'll soon be able to link your Vantage West credit or debit card to Google Pay and Samsung Pay.

These are a few plans we have in place, but we want to hear from you and are always open to feedback. If we reach out with a survey, please share your candid thoughts and recommendations. I also invite you to share feedback on the Contact Us page of our website.

In closing, I would like to acknowledge those who have lost loved ones, livelihoods, and more during this pandemic. As we begin to see light at the end of this dark tunnel, Vantage West, as a local institution, will continue to stand ready in our community to offer help and support.

I am grateful for the trust you have placed in Vantage West, and my gratitude extends to the dedicated team of Vantage West employees who devote their energy to serving your needs.

Sincerely,

Sandra Sagehorn-Elliott  
President/Chief Executive Officer

# 16,000

## NEW MEMBERS IN 2020

# MATT WOODS

Treasurer, Board of Directors



## EMERGING STRONGER, TOGETHER

This last year showed us that staying strong as a community and taking care of each other is more important than ever. In 2020, Vantage West worked diligently to offer socially distanced, in-person services while improving our digital and contact center service as volumes in those channels increased dramatically. The pandemic had a negative effect on the economy as a whole. Still, even under challenging conditions, the credit union continued to grow. Here's a snapshot of our growth in three key areas.

### MEMBERSHIP

We welcomed more than 16,000 new Members to our growing base of like-minded Arizonans who believe in the power of thriving communities.

### TOTAL ASSETS

Our total assets grew to \$2.4 billion. This higher than anticipated growth in assets came mainly from an increase in deposits, as our Members saved more of their hard-earned dollars during uncertain times. We also continued to serve the Membership's loan needs, bolstered our reserves for potential loan losses, and reinvested into the credit union's operations.

### NET WORTH

One sign of financial stability is a credit union's net worth. Under NCUA regulations, a credit union's net worth must exceed 7% to be classified as "well-capitalized." Vantage West ended 2020 well above that with a net worth ratio of 10.84%.

Our credit union's purpose statement is: Investing in people today to achieve a more prosperous tomorrow. We see 2021 as a year of hope, renewed strength, and even more excellent opportunities to make investments that lead to a more successful tomorrow.

Sincerely,

Matt Woods  
Treasurer, Board of Directors

**\$2.4B**

**TOTAL ASSETS**

# KATHLEEN ORTEGA

## Chair, Supervisory Committee

*Functioning independently of the Board of Directors and management, the Supervisory Committee provides oversight of operations through independent audits of financial statements, review of internal controls and risk analysis. The committee is statutorily charged with ensuring the board of directors and credit union management meet financial reporting objectives and have practices in place to safeguard members' assets. The Committee is also tasked with ensuring the credit union's Board and management comply with applicable laws and regulations.*



Reporting on behalf of the Supervisory Committee, I am pleased to see the continued positive evolution of the credit union over the past year. The Committee observed credit union leadership diligently deploy a critical risk mitigation strategy, which helped to prevent fraud and promote information security measures that protect the credit union and help keep Members' financial holdings and sensitive information safe and secure.

As part of each Supervisory Committee meeting, agendas include discussion with members of the Internal Audit Department, who review critical financial risk performance and the effectiveness of governance, risk management, and control processes. Credit union senior managers also report on their activities and projects at appropriate times. In addition, the Committee communicates regularly and provides periodic updates of its activities to the Board of Directors and stays appropriately informed of Board actions.

The Supervisory Committee is charged with engaging independent outside auditors to report on the financial condition of the organization. The 2020 audited Statements of Financial Condition and the Statements of Income, which are included in this annual report, indicate that Vantage West is well-capitalized and a sound institution. Our strength as an institution has been especially important as Vantage West assists our Members during the COVID-19 pandemic, and we remain vigilant as to Vantage West's financial stature during these challenging times.

The Committee maintains open and clear communication throughout the organization and with our external partners. This includes the National Credit Union Administration (NCUA), the Arizona Department of Financial Institutions (AZDFI), and most importantly you, our credit union Members. We regularly review and monitor Member feedback, ensuring your comments are properly and expediently handled. As always, your comments and suggestions are most welcome.

In closing, I want to acknowledge and thank each of the credit union's Board members and my fellow Supervisory Committee members, Janice Brotherton, and John Zartarski, for their commitment to Vantage West. Each of these members contributes significant hours to the organization because we believe in the credit union's mission.

Sincerely,

Kathleen Ortega  
Chair, Supervisory Committee

# STATEMENTS OF FINANCIAL CONDITION

AS OF DECEMBER 31

ASSETS	2020	2019
Cash & cash equivalents	\$321,053,681	\$152,598,483
Investments	490,715,293	197,164,871
Federal Home Loan Bank Stock	6,125,900	5,387,000
Loans held for sale	9,931,600	4,821,185
Loans to Members, net of allowance for loan losses	1,441,228,769	1,544,548,124
Accrued interest receivable	5,515,147	5,336,901
Prepaid and other assets	22,202,064	27,904,794
Goodwill	954,629	1,193,286
Property and equipment, net	39,038,710	38,999,500
ACH Payments receivable	36,319,662	21,362,574
NCUSIF deposit	18,413,391	16,246,647
<b>TOTAL ASSETS</b>	<b>\$2,391,498,846</b>	<b>\$2,015,563,365</b>

## LIABILITIES

Shares and savings accounts	\$2,026,122,799	\$1,731,971,600
Interest payable	216,968	445,086
Accrued expenses and other liabilities	100,138,514	31,883,694
Borrowed funds	-	-
<b>TOTAL LIABILITIES</b>	<b>\$2,126,478,281</b>	<b>\$1,764,300,380</b>

## EQUITY

Regular reserves	\$14,105,367	\$14,105,367
Undivided earnings	242,191,048	232,907,399
Accumulated other comprehensive income (loss)	5,924,150	1,450,219
Equity acquired through acquisition	2,800,000	2,800,000
<b>TOTAL MEMBERS' EQUITY</b>	<b>\$265,020,565</b>	<b>\$251,262,985</b>

<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$2,391,498,846</b>	<b>\$2,015,563,365</b>
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# STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31

## INTEREST INCOME

	2020	2019
Loans to Members	\$75,386,770	\$78,357,257
Investments	5,693,448	5,671,694
Cash and cash equivalents	1,211,140	3,167,553
<b>TOTAL INTEREST INCOME</b>	<b>\$82,291,358</b>	<b>\$87,196,504</b>

## DIVIDEND AND INTEREST EXPENSE

Shares and savings accounts	\$12,449,965	\$16,327,073
Other interest	55,245	100,504
Borrowed funds	183	283,535
Total interest expense	\$12,505,393	\$16,711,112
Net interest income	\$69,785,965	\$70,485,392
Provision for loan losses	\$13,509,453	\$8,281,658
<b>NET INTEREST INCOME AFTER PROVISION</b>	<b>\$56,276,512</b>	<b>\$62,203,734</b>

## NON-INTEREST INCOME

Interchange income	\$11,818,117	\$11,377,298
Fees and service charges	11,720,712	13,964,422
Gain on sale of loans	3,201,606	1,468,380
Gain on equity investments	2,323,588	2,921,653
Miscellaneous non-interest income	1,171,191	1,241,206
<b>TOTAL NON-INTEREST INCOME</b>	<b>\$30,235,214</b>	<b>\$30,972,959</b>

## NON-INTEREST EXPENSE

Salaries and benefits	\$39,738,445	\$40,258,186
Office operations	29,137,561	27,284,835
Office occupancy	4,181,819	3,737,773
Other expense	4,170,252	3,369,783
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>\$77,228,077</b>	<b>\$74,650,577</b>
<b>NET INCOME</b>	<b>\$9,283,649</b>	<b>\$18,526,116</b>

# LEADERSHIP

as of March 31, 2021

## BOARD OF DIRECTORS

Oscar S. Lizardi	Chair
Doug Zimmerman	Vice-Chair
Matt Woods	Treasurer
Manuel Lucero	Secretary
Hope Jensen Schau	Director
Jose Rincon	Director
Maricela Meza	Director
Stephen Peary	Director
Thomas Wolfe	Director

## SUPERVISORY COMMITTEE

Kathleen Ortega	Chair
Janice Brotherton	Member
John Zatarski	Member

## CONTACT INFORMATION

### PHONE

800.888.7882

### ONLINE

[VantageWest.org](http://VantageWest.org)

[Info@VantageWest.org](mailto:Info@VantageWest.org)

### CORPORATE ADDRESS

2480 N. Arcadia Ave.  
Tucson, AZ 85712

### MAILING ADDRESS

P.O. Box 15115  
Tucson, AZ 85708

# 2020 COMMUNITY IMPACT

## MEMBER BENEFITS



SAVINGS

**\$92** PER MEMBER\* & **\$192** PER MEMBER HOUSEHOLD\*

**\$14,740,251** IN DIRECT FINANCIAL BENEFITS TO MEMBERS\*

**\$800,000** IN WAIVED FEES

**4,760**

LOAN MODIFICATIONS FOR COVID-19 PANDEMIC ASSISTANCE

**6** EVENTS HOSTED/ATTENDED TO SUPPORT MILITARY

**848** HOURS PAID TO ASSOCIATES TO VOLUNTEER IN THE COMMUNITY

**1,117** NUMBER OF MEMBERS WE HELPED GET INTO OR REFINANCE A HOME

**\$9,530** EMPLOYEE DONATIONS TO GO CASUAL FOR A CAUSE

**\$567,016**

INVESTMENT IN LOCAL CHARITIES AND COMMUNITY PARTNERS

SBA PPP ASSISTANCE

**378**

BUSINESSES RECEIVED

**\$16,365,943**

## EDUCATIONAL SUPPORT



EDUCATIONAL CLASSES TO PROMOTE FINANCIAL WELLNESS

**45**

SEMINARS & CLASSES

**796**

ATTENDEES

**\$12,500**

SCHOLARSHIPS AWARDED

**\$24,000**

INTERN TUITION REIMBURSEMENT

**8**

INTERNSHIPS WITH LOCAL SCHOOLS AND UNIVERSITIES

\*Credit Union National Association (CUNA) Member Benefits Report (year-end 2020).  
Estimated savings in direct financial benefits when compared to Arizona banks.

**VantageWest.org**



NMLS# 485751  
Federally insured by NCUA.