

# ANNUAL REPORT

Heritage Family Credit Union

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## 2024



**HERITAGE  
FAMILY**  
CREDIT UNION

# BOARD CHAIR AND CEO REPORT



**GWEN FLEWELLING**  
Board Chair



**CHRIS GOMEZ**  
President/CEO

Dear Members,

As we reflect on 2024, we are filled with immense pride and gratitude for the unwavering trust you have placed in Heritage Family Credit Union (HFCU). Despite the economic challenges our country experienced in the last year, HFCU is in a strong financial position and our commitment to serving you – our valued members – remains steadfast.

**Financial Performance:** As you will see in the 2024 Financial Report details submitted by the Treasurer and Chief Financial Officer, HFCU demonstrated robust financial growth, health, and resilience. This strong position reflects both prudent financial management and your continued faith in us. We are truly fortunate to have fared so well during a time of uncertainty when many credit unions throughout the country faced significant challenges.

**Community Engagement:** Maintaining our commitment to community-focused initiatives, in 2024 HFCU launched Roofs Over Rutland, a new program that targets increasing housing availability. This innovative partnership with the Vermont Treasurer’s Office and Rutland Mayor’s Office not only aligns with the Credit Union’s “people helping people” philosophy but also reflects our sustained commitment to the Rutland community. We are proud to report that in 2024, HFCU received over \$5.4 million in applications, that will create over 50 housing units in Rutland city.

Additionally, HFCU dedicated more staff resources to supporting the needs of new business owners and dispersed \$21,840,258 in business loans in 2024, helping to promote a robust local economy and encourage entrepreneurship. We maintained our passionate support of local nonprofits by providing \$164,260 in sponsorships and donations while also continuing to prioritize promoting financial literacy, holding 25 empowering workshops that served some 800 individuals in our local communities.

**Tri State Area Federal Credit Union:** We want to extend a warm welcome to the more than 4,000 members who joined HFCU through the merger with Tri State Area Federal Credit Union. This exciting milestone will usher in a new era of enhanced member experiences while also creating additional opportunities to strengthen the position of our Credit Union. None of this would have been possible without your continued faith in the financial cooperative model. Thank you for your patience and support during this time of transition.

**Looking Ahead:** In 2025 and beyond, we will remain dedicated to providing exceptional financial services while also fostering community growth and sustainability. At HFCU, the more things change, the more things stay the same. As we continue to innovate and adapt to embrace the full promise of our future, we do so in a manner that is rooted in our nearly 70-year history of serving our community and meeting the evolving needs of our membership. All of us at HFCU are firmly focused on ensuring that our Credit Union continues to be the trusted financial partner you have always counted on. That commitment will never change.

## Acknowledgments

We want to extend our heartfelt thanks to the Board of Directors, staff, and volunteers for their hard work and dedication. Most importantly, we want to express our deepest appreciation to you, our members, for your loyalty and support. Together, we will build a brighter future for our Credit Union and the communities we are so privileged to serve.

Respectfully submitted, Gwen Flewelling, Board Chair & Chris Gomez, President/CEO

# 2024 BOARD OF DIRECTORS



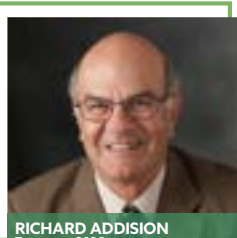
**GWEN FLEWELLING**  
Board Chair, 2026



**PAUL CARROCCIO**  
First Vice Chair, 2026



**NICOLE KESSELRING**  
Second Vice Chair, 2025



**RICHARD ADDISON**  
Treasurer, 2026



**RODNEY WARD**  
Secretary, 2027



**DENIS BENSON**  
Director, 2027



**JOSHUA CHILSON**  
Director, 2025



**KIM GRIFFIN**  
Director, 2027



**KEVIN LOSO**  
Director, 2025

# 2024 SENIOR LEADERSHIP TEAM



**CHRIS GOMEZ**  
President/CEO



**MELISSA WALSH**  
EVP Chief Operations Officer



**CHRISTINE MESSER**  
EVP Chief Financial Officer



**SARAH FURMAN**  
Chief Lending Officer



**RYAN BUTLER**  
SVP Retail



**ERIK SHAPPY**  
SVP Technology

# SUPERVISORY COMMITTEE REPORT



As Chair of the Heritage Family Credit Union Supervisory Committee, I am pleased to present our annual report for 2024. This year has been a dynamic one for HFCU, marked by progress, strategic growth, and a steadfast commitment to financial integrity, regulatory compliance, and the protection of our members’ assets—all of which we have had the privilege to oversee.

Our new external auditors, CliftonLarsonAllen, LLP of Quincy, Massachusetts, and internal auditors, The Bonadio Group of Rutland, Vermont, have integrated smoothly into the organization this year. The HFCU team deserves praise for their outstanding efforts in bringing both the auditors and new staff members up to speed, ensuring a robust foundation for financial oversight. From our perspective, this collaboration reflects the dedication of staff and the Board to operational excellence.

New leadership settled into the organization in 2024, backed by a Board focused on building a foundation for future growth. Their combined efforts bore fruit with the merger of Tri State Area Federal Credit Union, effective January 1, 2025, expanding HFCU’s footprint into New York State. This achievement, driven by management with the Board’s strategic guidance, opens new opportunities and resources for our members. Our role has been to monitor this expansion, ensuring it upholds the Credit Union’s commitment to excellence and member trust.

The leadership and Board have also prioritized proactive measures, implementing risk-mitigating strategies to prepare for an evolving economic and regulatory landscape. With HFCU’s financial health standing out among peers, their foresight has been commendable. We have observed with approval as transparency and accountability—more ingrained in the organization than ever—guide these efforts. Through regular audits and dialogue with management and the Board, we confirm that these initiatives reflect the trust our members expect.

At the helm is our new President, Chris, whose vision for investing in HFCU’s future is taking shape, supported by the Board’s alignment and a talented team he has assembled. Their

collective work is laying the groundwork for a stronger foundation and sustained growth. As overseers, we are encouraged by this momentum and confident that our members will reap the benefits.

I am grateful to our members for their loyalty, our staff for their dedication, the Board for their strategic stewardship, and my fellow committee members for their thoughtful service. Our role is to ensure that Heritage Family Credit Union remains a reliable pillar of strength—a responsibility we fulfill as we witness the organization flourish under its capable leadership and governance.

Looking forward, we are optimistic about HFCU’s path ahead. With management and the Board driving innovation and growth, and our oversight ensuring accountability, we are confident that the Credit Union will continue to serve our growing community with distinction.

Respectfully submitted, Zak Hale, Supervisory Committee Chair

## SUPERVISORY COMMITTEE

- ZAK HALE**  
Chair
- PAMELA DOUGLASS**
- DAVID LAMBERT**
- LISA THAYER**
- CHARLENE SEWARD**

## HURRAH FOR HERITAGE FAMILY 2024 Recognition



At Heritage Family Credit Union, recognition means more than a pat on the back. It’s an affirmation of the commitment to members that began with our founding in Ludlow in 1956 and continues today throughout Vermont, New Hampshire, New York, and Massachusetts. Community is at the heart of all that we do, which is why we want to thank members in the Bennington Banner/Manchester Journal, Lakes Region Free Press, and Rutland Herald readership areas for selecting us as Best Credit Union in 2024. We do not take your commitment to our Credit Union for granted and honor your support by continuing to provide the education, service, and products that ensure you and your family have every opportunity to thrive.





Heritage Family Credit Union's **Real Rutland Feud** team put their best foot forward, making connections with other community partners during a great night in Rutland.



447 members of our community showed their spirit of giving (and running) at **Heritag O' Family's Shiver Me Shamrocks 5k Fun Run & Walk** to benefit Come Alive Outside.



**Rutland Blooms** volunteers from HFCU & GE, along with community support, **planted 15 trees** in Rutland. Together, we're making the communities we live in, work in and go to school in, the best places they can be!



Thanks to our partners SecurShred we were able to **help protect our members and community from identity theft** by shredding 20,000 lbs of private documents at our annual **Shred 4 Good** event.

Heritage Family employees gathered with HFCU President/CEO Chris Gomez, Rutland Mayor Mike Doenges, and Vermont State Treasurer Mike Pieciak in downtown Rutland to announce the **Roofs Over Rutland** program.



The HFCU team was happy to lend some helping hands at the annual **Stuff-A-Bus**, which has been combating food insecurity in our local community for 30 years.



Senior leaders came together in Bennington to announce the **merger of Tri State Area Federal Credit Union and Heritage Family Credit Union**, bringing new locations to HFCU in Bennington, VT and Hoosick Falls, NY.



Heritage Family Credit Union presented five Rutland County nonprofits with a \$5,000 donation **for their contributions to the local community** at the Chamber & Economic Development of the Rutland Region (CEDRR) Winter Mixer.



# 2024 HFCU FINANCIAL REPORT



RICHARD ADDISON  
Treasurer



CHRISTINE MESSER  
EVP Chief Financial Officer

Heritage Family Credit Union (HFCU) had a strong year in 2024 despite inflation, waning member liquidity, and sustained high interest rates. These factors were not only felt by the Credit Union, but also our membership. We want to acknowledge the hard work and dedication of the HFCU staff and the loyalty of our members as we navigated these economic challenges together. It is our shared commitment to HFCU that led us to finish 2024 as one of the few credit unions in the country with positive financial results. Here is a summary:

**Financial Growth:** Total assets increased by \$33.9 million (4.5%) to \$772 million. Member deposits grew by \$24.2 million (4.0%) to \$632.6 million, and membership rose to 50,707, a net growth of 0.55%.

**Loan Growth:** Despite ongoing economic challenges, HFCU continued to support its membership with loan growth at 3.6% and a balance sheet that remains diversified with a low-risk interest rate profile. Our lending activity in 2024 was largely focused on unsecured loans, used autos, and VISA® credit cards.

**Income:** Net interest income increased by \$1.1 million (3.8%) in 2024, allowing HFCU to pay \$6.8 million in dividends to members, representing a 75% increase from 2023. Other income increased by \$950K primarily due to market gains on investments designed to offset operating costs.

**Provision for Credit Loss Expense:** Due to a Current Expected Credit Loss process that HFCU implemented in 2023, our Provision for Credit Loss Expense increased by \$793K. This complex methodology allows us to prepare for potential losses by proactively estimating and allocating funds over the life of a loan rather than waiting for delinquency.

**Operational Expenses:** Operating expenses rose by 11.6% due to increases in wages and benefits, technological upgrades, and fraud losses. The increases in wages and benefits and technological upgrades were necessary investments as we work to enhance member experiences while also maintaining HFCU’s competitive edge in the marketplace. And with fraud increasing nationally, HFCU remains vigilant in protecting Credit Union and membership assets.

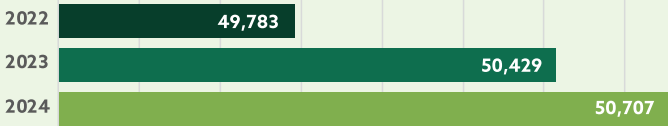
Despite the economic challenges experienced in 2024, HFCU added \$6.8 million to retained earnings and saw the Credit Union’s net worth increase by 3.68% to 11.25%. We also ended the year with a very strong return on assets (ROA) of .90%. These results reflect an institutional resilience that stands as a true testament to the dedicated oversight of HFCU’s Board of Directors, Supervisory Committee, and Executive Leadership Team. Thank you for your continued commitment to Heritage Family Credit Union.

Respectfully submitted, Richard Addison, Board Treasurer & Christine Messer, EVP Chief Financial Officer

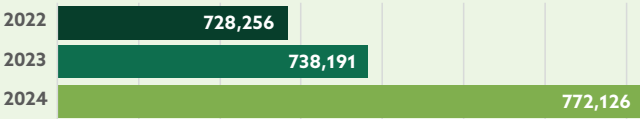
\$6,811,903  
IN MEMBER EARNED DIVIDENDS

7,345  
LOANS GENERATED

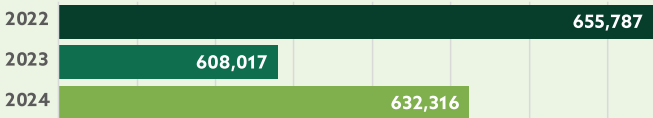
## MEMBERS



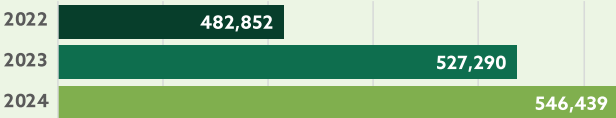
## ASSETS (THOUSANDS)



## SHARES (THOUSANDS)



## LOANS (THOUSANDS)



## ASSET GROWTH OVER 10 YEARS



## MEMBERSHIP GROWTH OVER 10 YEARS



\$24.2M

INCREASE IN MEMBER DEPOSITS

\$772M

IN TOTAL ASSETS



# 2024 STATEMENT OF FINANCIAL CONDITION

# 2024 STATEMENT OF INCOME

	2024
ASSETS	
Cash and Cash Equivalents	\$ 5,105,955
Loans Receivable	548,920,382
Allowance For Loan Loss	(6,721,783)
Investments - Available for Sale	193,032,238
Investments - Held to Maturity	364,427
Other Assets	12,337,447
Fixed Assets	19,087,005
<b>TOTAL ASSETS</b>	<b>\$ 772,125,671</b>
LIABILITIES AND EQUITY	
<b>Liabilities</b>	
Borrowed Funds - Notes Payable	\$ 61,260,000
Other Liabilities	7,824,388
Shares and Share Drafts	492,242,711
Share Certificates	140,390,329
Total Liabilities	701,717,428
<b>Equity</b>	
Undivided Earnings	86,895,990
Other Comprehensive Income	(16,487,747)
Total Equity	70,408,243
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 772,125,671</b>

	2024
INTEREST INCOME	
Interest on Loans	\$ 34,095,372
Interest on Investments	5,825,586
Realized/Unrealized Gain on Equity Securities	1,055,424
INTEREST EXPENSE	
Dividends	\$ 6,811,903
Interest on Borrowed Funds	3,098,920
<b>NET INTEREST INCOME</b>	<b>\$ 31,065,559</b>
Provision for Credit Loss	3,588,679
OPERATING EXPENSES	
Compensation and Benefits	\$ 17,438,115
Office Operations and Occupancy	6,652,792
Loan Servicing and Professional Fees	6,657,461
Other	1,501,093
<b>OTHER OPERATING INCOME</b>	<b>\$ 11,605,142</b>
Net Income	\$ 6,832,561



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FAMILY**  
CREDIT UNION

**YOUR COMMUNITY...YOUR CREDIT UNION**  
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**BENNINGTON | BRANDON | CASTLETON | FAIR HAVEN | HOOKSETT, NH  
HOOSICK FALLS, NY | LUDLOW | LONDONDERRY | MANCHESTER | RUTLAND**