



The Credit Union Difference



Letters From Our Leadership



Rich Kump

As President/CEO, I am tempted to reflect on our financial performance and the continued strength and growth of the Credit Union, but those numbers do not tell the story of our success—at least not the story that I get excited about. While financial performance is critical—and I'd be lying if I said it wasn't one of my top priorities—the bigger story, and truly what sets us apart as a cooperative, is the impact we have on the lives and businesses we serve, and on the communities in which we operate. It is with this in mind

that I share with you my favorite highlights from the past year, and how we invested in your financial picture.

Member Empowerment comes in many forms. Sometimes it's shared knowledge to make informed decisions, while at other times, it's a new tool to help make your banking as convenient as possible. In 2022, we continued our longstanding tradition of offering regularly scheduled seminars and workshops on all sorts of financial topics. We also bolstered our services by adding multiple in-app debit card controls; an online banking system specifically for businesses; enhanced person-to-person electronic payment options by switching to Zelle; and a wider surcharge-free ATM network with our move to MoneyPass.

Saying that we've been busy is an understatement, and as a result, our growing family of employees now totals 130, making us one of the larger non-public employers in the Valley. When we talk about culture here, we mean we train to support career paths wherever they may lead. Fortunately for me, we cultivate talent that sticks around, as 28 of 34 supervisors and managers were promoted from within, including seven of nine senior managers. We have also never had better diversity at all levels. This is just one of the many ways we are **Investing in Local People & Communities**.

Our commitment to investing in our employees isn't just a bid to win the Gazette's "Best Place to Work" title; it's also a commitment to you.

The more knowledge and skills we can offer to our employees, the better recommendations they can make when our members turn to us for borrowing, or after significant life events; **Bettering Financial Lives** is our number one promise to you.

In addition, last year our Co-op Points program waived nearly 19,000 fees totaling \$285,796, provided 1,300 members with reduced rate consumer loans, and helped 856 members save more with increased Term Deposit rates. Co-op Points are one of the many ways we are **Saving Members Money**. We also donated over \$75,000 to local non-profits and community events. Plus, we don't stop at just writing a check. We show up! Our employees answered the call for helping hands at nearly 40 events throughout the year—getting to work on everything from cleaning up trash to sorting donated clothing.

Finally, we're still leading the charge in **Fostering a Sustainable Local Economy**, as UMassFive continues to be one of the highest volume solar financiers in the Commonwealth, on both the consumer and commercial sides of the house. The same can be said of our 0.00% MassSave HEAT Loans for energy-saving improvements, and we've continued to fight food insecurity with our unique 0.00% Farm Share Loan offering that ensures affordable access to fresh vegetables to those most in need.

Those are the numbers that really matter, and a big reason I am honored to serve as the steward of this amazing place we call UMassFive. Time and again we win awards for Best Local Credit Union, Best Local Financial Planning, Best Mortgage Lender, Best Auto Loan Lender, Best Online Banking, and so on—that doesn't happen by accident. We are mission-driven and focused on improving the lives of those we touch. The awards simply follow.

Sincerely,

Richard R. Kump, President/CEO

2022 Board of Directors



Despite yet another year fraught with economic uncertainty, I am proud to report that UMassFive's performance continues to demonstrate financial stability. Even amidst inflation and a fluctuating market, the Credit Union has once again shown growth in many key financial categories. This includes increasing our net membership by 2.60% year-over-year, as well as experiencing a 13.10% increase in loan growth. At the end of 2022, our assets stood at over \$647 million, and our capital ratio of 9.22 shows that we are financially sound, while still leveraging our resources to invest in the technologies and people that will sustain us long into the future.

Speaking of people, I am of the firm belief that this is what the Credit Union Difference is truly all about!

From our focused Board of Directors and senior leaders, to our dedicated management and staff-level employees, it delights me to watch the UMassFive team fulfill our people-helping-people mission each and every day.

I would like to take a moment to call special attention to a few individuals and teams who I feel have earned a little extra recognition, beginning with two individuals who earned accolades this past year. Kristina Smith, our AVP of Retail Administration, was chosen to represent the state of Massachusetts as a 2022 "Crasher" for the annual Credit Union Governmental Affairs Conference. Taylor Robbins, our Business Relationship Manager, was selected as the Amherst Area Chamber of Commerce's Young Professional of the Year for 2022. Nothing brings me more joy than when our people are recognized by others for their devotion to our Credit Union's philosophy, and to our local businesses and communities.

Shifting from individuals to a group, I would like to give attention to our Worcester Branch, located within the UMass Chan Medical School. Despite the geographic separation from our other locations, their team—led by Branch Manager Kathi Bates—has brought our cooperative spirit in full force to the medical school campus. Their determined advocacy for members and their empathetic approach to member service has not gone unnoticed. Serving over 6,300 members of the Credit Union with a smile, they are our fastest growing location, and a regular source of glowing reviews and emails from grateful members.

Our CFS* Financial Advisors: Cooper Cerulo, Aimee Marden, and Dana Graham also deserve some special kudos for 2022. Providing financial, investment, and retirement planning services to over 1,600 of our members, these three embody our Credit Union values everyday while they have important and meaningful conversations about our members' goals, hardships, and celebrations.

These are just a few examples of the incredible people we have working at the Credit Union, as anyone who has walked through any of our branch doors can attest to. Of course, these people, and their exemplary service would not have the chance to shine if not for our members' dedication to our financial cooperative. We thank you for your loyalty choosing UMassFive for all your financial services needs. As we continue to grow, you have our promise that our sole purpose will never waver; we are committed to having a positive and direct impact and influence on your financial well-being.

Sincerely,



Robert M. Harrison, Board Chair



Bob Harrison

* Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the Credit Union, and may involve investment risk including possible loss of principal. Investment Representatives are registered through CFS. UMassFive College Federal Credit Union has contracted with CFS to make non-deposit investment products and services available to Credit Union members. For specific tax advice please consult a tax professional.

Ruth Yanka: Board Vice Chair, Executive Committee, Asset Liability Management Committee, Credit Risk Management Committee Chair | Executive Director, A&F Operations in Administration & Finance, UMass Amherst

Karl Kowitz: Board Secretary, Executive Committee, Asset Liability Management Committee, Human Resources Committee | Capital Project Manager in Facilities Management, Smith College

Jacqui Watrous: Asset Liability Management Committee, Technology Planning Committee Chair, Human Resources Committee, Supervisory Committee | Executive Director, Administrative Systems in Administration & Finance, UMass Amherst

Amy Proietti: Asset Liability Management Committee, Human Resources Committee, Technology Planning Committee | Coordinator of Financial Aid, Greenfield Community College

Curt Shumway: Credit Risk Management Committee, Human Resources Committee Chair, Nominating Committee | Managing Partner, RLS Properties and Chief Operating Officer, Hampshire Hospitality Group

Julius Lewis: Asset Liability Management Committee, Credit Risk Management Committee, HR Committee | Independent Financial Consultant, CEO, JDP Financial; Host, Lewis & Morrow Financial Hour

Jeremy Bentley: Asset Liability Management Committee Chair, Nominating Committee Assistant Professor, Isenberg School of Management, UMass Amherst Accountants

Empowering Our Members

UMassFive continued to work this year to provide our members with the tips and tools they need to brush up on their financial literacy, and take control of their financial future.

Over 300 members took advantage of our free workshops on a wide variety of financial topics. Alongside our workshop offerings, we're proud to always offer additional resources that our members can leverage whenever they need them—whether it's heading to our website's Financial Knowledge Center, watching a quick video from *It's a Money Thing* when it comes across your Facebook feed, or creating a concrete plan for financial fitness with a GreenPath Financial Wellness counselor.

32

Workshops
Offered



300+

Workshop
Attendees

Workshops & Seminars

UMassFive offered reoccurring workshops on: Paying Down Debt, Budgeting 101, and Understanding Credit. In collaboration with Member Advantage Mortgage, we held six Homebuying 101 workshops throughout the year.

UMassFive Financial and Investment Services also provided a number of workshops, including: Retirement Planning, Saving for Retirement: IRA Need to Knows, Retirement Plan Rollover Options, Retirement Income Planning, Financial Planning Challenges for Women, Creating a Lasting Legacy with Life Insurance, and a special interactive forum-style Q&A session on Retiring Confidently for the second year in a row.

It's a Money Thing

Learning about financial topics may not always be the most exciting pastime, but our "It's a Money Thing" library is filled with great tips and tricks that help make it fun, and are great for all ages! It's filled with short videos and articles about topics such as building a budget, buying a used car, breaking down a credit score, and more.

Through the various technology upgrades we made this year, we were able to offer our members increased convenience with our digital services.



We integrated **My Cards** with our Mobile & Online Banking, replacing our separate CardSecure app.

My Cards allows members to control their card with just a few taps, including turning cards on and off, tracking spending, setting up a travel plan, and more.



In addition to enjoying the enhanced card controls available with our Mobile App and Online Banking, members took advantage of our remote banking options more than ever—depositing checks on the go with a mobile deposit, checking their account statements from anywhere with eStatements, and stopping by an ATM to use a Video Teller for quick transactions, even when their branch was closed.

21,822

Members Enrolled
in Mobile Banking

68,657

Checks Deposited
Through Mobile Banking

26,716

Members Enrolled
in eStatements

1,628

Branch Appointments
Booked by Members

8,674

Video Teller
Transactions

Bettering Members' Lives

At UMassFive, we realize that assisting a member with borrowing money is a lot more than simply "getting a loan." It's helping a member finance a college education, buy their first home, secure reliable transportation, and much more. Our staff are trained to have exploratory conversations each and every time they meet with a member applying for a loan to ensure the loan type the member had in mind is truly the most beneficial product for their unique situation.



"I have been an extremely satisfied member of UMassFive since you were at Draper Hall on the UMass Amherst Campus. Your team helped [me] obtain reasonable mortgages, auto loans, and equity lines. Now your team is helping me with the management of my retirement portfolio. I couldn't have done it without you." – James L.



For over fifty-five years, we have prided ourselves on offering both traditional and unique loans to meet our members' needs, and help further their dreams.

New Loans Funded in 2022



Programs to help our members get started, or get back on, the right foot

Last year, we continued to support members who were looking to build (or rebuild) their financial footing with our Credit Builder Loans. Through our partnership with GreenPath Financial Wellness, a national non-profit financial counseling service, we also assisted members who needed some additional financial coaching beyond our traditional offerings.



"UMassFive College Credit Union has been a big part of my UMass experience. I was with them as a student and came back to them when I returned to the area. They have always gone above and beyond. Their fraud protection has saved me a few times. I have attended free sessions on credit card debt, home buying, and Roth IRAs. My last two car loans have been with them and I consolidated and paid off my credit cards by using my UMassFive [credit card]. They take their stewardship of our money seriously, provide wonderful quality community service and have exceptional online tools that have been a life-saver during this quarantine period. I can't recommend them enough. Literally, my daughter and parents have accounts with them as well. Even in tough financial times, they are always thinking of creative ways to give back to the community." - Annemarie T.



Saving Members Money



\$285,796

in Fees Waived

856

Term Deposit
Rates Raised

1,300

Loan Rates Lowered

At UMassFive, we're focused on our members' financial health, now and into the future. Our goal is to always save you money, whether that's through our Co-op Points program, rewarding you for using our cards, or providing you award-winning** CFS Financial Advisors to help you best plan for a comfortable retirement.



\$185,203

Total Cash Back Earned
with our Signature Credit Card



UMASS FIVE
Financial & Investment Services
Available through CFS*



In order to provide our Advisors with even more availability to have the important conversations our members rely on them for, we expanded the Financial & Investment Services team again this year—this time adding Emi Lee as an assistant to Advisors Aimee Marden and Dana Graham.

\$192,245,072

Dollar Amount Managed by CFS* Financial Advisors



*Our CFS Financial Advisors are proud to have earned our community's vote as the **Best Financial Planning Service** for the fourth year in a row.***

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** The Daily Hampshire Gazette's Reader's Choice award is a community voting poll that is determined by the most votes received and not indicative of a program or individual's performance, nor should it be construed as a recommendation. Inclusion on the Reader's Choice list should not be construed as an endorsement by the Daily Hampshire Gazette or Newspapers of New England.

Investing in Local People & Communities

At UMassFive, our focus has always been on our local community and the people within it. A natural extension of this is growing our team by promoting from within. This year, many of our employees took on new, more expansive roles due to the hard work and member-first qualities they embody.

The employees highlighted below were promoted in 2022.



Megan Lagoy
AVP of
Loan
Operations



Rob Walters III
ITM
Supervisor



Taylor Robbins
Business
Relationship
Manager



Emi Lee
Investment
Advisor
Assistant



Shelby Downey
Cash
Management
Specialist



Linda Schmidt
AVP of
Finance /
Controller



Brittany Ward
Hadley
Branch
Manager

We'd also like to thank our **Branch and Contact Center Managers** for providing excellent member service every day.



**Angel Fink
McMickle**
Amherst



**Brittany
Ward**
Hadley



**Matt
Eddy**
Leeds



**Eurika
Boulay**
Northampton



**Kathi
Bates**
Worcester



**Angela
Winslow**
Springfield



**Katie
Lawton**
Contact Center



Organizations UMassFive Supports:

Amherst Education Foundation
 Amherst Survival Center
 Arcadia Players
 Big Brothers Big Sisters 3-Ring Ruckus
 Big Brothers Big Sisters Daffodil Run
 Big Brothers, Big Sisters of Hampshire and Hampden Counties
 Center for New Americans
 Children's Advocacy Center Hampshire County
 Christina's House Open House
 Community Involved in Sustaining Agriculture
 Credit Union Legislative Action Council
 Dakin Barks and Brews
 Dakin Humane Society
 Dress for Success
 Easthampton Public Schools
 Food Bank of Western Massachusetts
 Franklin County Festival of the Trees
 Franklin County Rotary and Kiwanis Clubs
 Friends of the Jones Library Systems
 Funfest at the Dunbar Community Center
 Gandara Mental Health Center
 Greenfield Community College Foundation
 Hampshire County Young Professionals
 Holyoke Blue Sox
 Holyoke Blue Sox Veterans Appreciation Night

Holyoke St. Patrick's Day Parade
 Juneteenth C3 Movie in the Park
 Juneteenth Father's Day Brunch
 Juneteenth Flag Raising
 Juneteenth Movie Night
 Look Park
 Massachusetts Academy of Ballet Educational Training Association
 Massachusetts Coalition for the Homeless
 Mercy Hospital
 Monte's March
 Newspapers in Education
 Northampton Community Music Center
 Northampton Education Foundation
 Northampton First Night
 Northampton Survival Center
 Northampton YMCA
 Northwestern District Attorney's Office
 Pioneer Valley Habitat for Humanity
 Raise Up Our Veterans
 River Cares 4 Kids
 Sister Caritas Cancer Center
 Source to Sea Cleanup
 South End Community Center
 Springfield Boys & Girls Club Festival of Trees
 Springfield C3

Springfield Dress for Success
 Springfield FAFSA Frenzy events
 Springfield Harambe Festival
 Springfield Harambee
 Springfield Public Schools
 Springfield Puerto Rican Parade
 Springfield Technical Community College
 Stephen D. Jones Charity Golf Tournament
 Sustainable Business Network
 The Gray House
 UMass Alumni Association
 UMass Amherst AASA Chapter
 UMass Amherst Smart About Money
 UMass Cancer Center
 UMass Cancer Walk
 UMass Medical Center
 UMass Medical School
 UMass Museum of Contemporary Art
 UMass Worcester Halloween
 Valley Alliance of Worker Co-Operatives
 Valley Co-Operative Business Association
 Veterans Affairs
 Western New England Tennis
 Western New England Tennis Tournament
 Will Bike 4 Food
 Worcester County Food Bank

Fostering a Sustainable Local Economy

Through Support of Green Initiatives

At UMassFive, we believe a sustainable tomorrow can start today. That's why we invest our energy into sponsoring local solar-powered outdoor digital kiosks, and offering our members sustainability loans such as: Solar loans, HEAT loans through Mass Save®, Energy & Fuel Conservation loans, and 0% interest Farm Share loans.

933

"Green" Loans
Financed in 2022

\$22,169,012

Dollars Loaned Towards Sustainability Efforts



The Credit Union is thrilled to support Amherst and Northampton in leveraging 100% solar-powered electronic displays in the downtown area to better communicate local events and resources, and to help promote our local businesses. We're a financial institution that's committed to sustainability, so helping our communities finance and embrace green technologies—especially in public spaces where everyone can benefit—is a natural fit for UMassFive.

Support of Local Business

In 2022, we worked to greatly expand our Commercial Services department and offerings with new products and new employees, in order to help support our members' growing business needs.



With the creation of the position Business Relationship Manager, the commercial team's Taylor Robbins was promoted. Simultaneously, Shelby Downey joined the department to take over the role of Cash Management Specialist.

Business Online Banking

We were thrilled to roll out our Business Online & Mobile Banking offering this year, including features like bill pay, wire transfers, ACH origination, and more. It was a greatly anticipated update to help make banking on-the-go easier for our business members.



Taylor Robbins Receives Young Professional Award



Taylor Robbins was recognized at the 2022 Amherst Chamber of Commerce A+ Awards and received the Young Professional Award for all her hard work on behalf of the business community.

A Letter From Our Supervisory Committee



The Supervisory Committee is charged with protecting UMassFive's members' interests and ensuring that the financial condition of the Credit Union is accurately and fairly presented in the Credit Union's financial statements.

To meet this responsibility, the Supervisory Committee employs accounting and other qualified firms to perform necessary audits, account verifications, and risk assessments under its supervision. The Committee engaged the accounting firm of Wipfli, Certified Public Accountants, to conduct the annual financial audit for the year ending December 31, 2022. Wipfli had previously conducted the annual financial audit for the year ending December 31, 2021, and began ongoing internal audit and compliance functions in 2022. As a result of the most recent Annual Financial Audit, which as of this writing is nearing completion, UMassFive expects to receive an unmodified opinion that our financial statements conform to generally accepted accounting principles.

For several years, the Supervisory Committee has contracted with an outside accounting firm to perform a more comprehensive internal audit program than is possible in-house. This work continued in 2022, with various reports presented throughout the year by Wipfli to the Supervisory Committee on the findings of their work, much of which centered on regulatory compliance and whether adequate internal controls were in place for various functions and processes. The Committee also engages GraVoc, a technology consulting firm, to perform certain computer assessments and testing.



Pictured from left to right: Ellen Rutan, Chair, Retired Comptroller, Mount Holyoke College; Shane Conklin, Associate Vice Chancellor, Facilities and Campus Services, UMass Amherst; Jacqui Watrous, Executive Director, Administrative Systems in Administration and Finance, UMass Amherst; Michael Ford, Chief Financial Officer, Catholic Diocese of Springfield; Stephen Nigro, Controller, Amherst College

Statement of Finances

Statement of Financial Condition (unaudited)

| Assets | 2022 | 2021 |
|---|----------------------|----------------------|
| Cash & Cash Equivalents | \$15,456,328 | \$44,794,944 |
| Investments | \$139,034,006 | \$144,302,722 |
| Loans to Members, Net of the Allowance for Loan Losses | \$456,315,151 | \$405,214,772 |
| Accrued Interest Receivable | (\$224,997) | (\$174,108) |
| Property & Equipment | \$6,078,101 | \$6,450,826 |
| National Credit Union Share Insurance Fund (NCUSIF) Deposit | \$5,578,662 | \$4,889,987 |
| Other Assets | \$25,049,310 | \$25,943,539 |
| Total Assets | \$647,286,561 | \$631,422,682 |
| Liability & Equity | | |
| Liabilities | | |
| Members' Shares | \$573,070,986 | \$574,623,163 |
| Non-Member Deposits | \$15,408,427 | 0 |
| Accrued Expenses & Other Liabilities | \$5,243,527 | \$2,687,986 |
| Borrowed Funds | \$12,014,863 | 0 |
| Total Liabilities | \$605,737,803 | \$577,311,149 |
| Equity | | |
| Retained Earnings, Substantially Restricted | \$59,674,562 | \$56,237,630 |
| Accumulated Other Comprehensive (Loss) Income | (\$18,125,804) | (\$2,126,096) |
| Total Members' Equity | \$41,548,758 | \$54,111,534 |
| Total Liabilities & Equity | \$647,286,561 | \$631,422,682 |

Statement of Income (unaudited)

| Interest Income | 2022 | 2021 |
|--|---------------------|---------------------|
| Interest on Loans to Members | \$17,671,741 | \$15,872,783 |
| Interest on Investments & Cash Equivalents | \$2,509,825 | \$1,532,631 |
| Total Interest Income | \$20,181,566 | \$17,405,414 |
| Interest Expense | | |
| Dividends on Members' Shares | \$1,182,049 | \$1,240,353 |
| Interest Expense | \$292,021 | 0 |
| Total Interest Expense | \$1,474,071 | \$1,240,353 |
| Net Interest Income | \$18,707,495 | \$16,165,061 |
| Provision for Loan Losses | \$638,136 | \$369,363 |
| Net Interest Income after Provision for Loan Losses | \$18,069,359 | \$15,795,698 |
| Non-Interest Income | \$5,394,724 | \$6,931,579 |
| Net Income before General & Administrative Expenses | \$23,464,083 | \$22,727,277 |
| General & Administrative Expenses | | |
| Salaries & Benefits | \$10,491,052 | \$9,705,515 |
| Operations | \$9,536,099 | \$9,356,864 |
| Total General & Administrative Expenses | \$20,027,151 | \$19,062,378 |
| Net Income from Operations | \$3,436,932 | \$3,664,898 |
| NCUA Impairment & Premium Assessment | 0 | 0 |
| Net Income after NCUA Impairment & Premium Assessment | \$3,436,932 | \$3,664,898 |



Thank you for voting us “Best Credit Union” for sixteen consecutive years in the Valley Advocate’s Best of the Valley Poll, and nine consecutive years in the Daily Hampshire Gazette Reader’s Choice poll!

Amherst | Hadley | Leeds | Northampton | Springfield | Worcester

