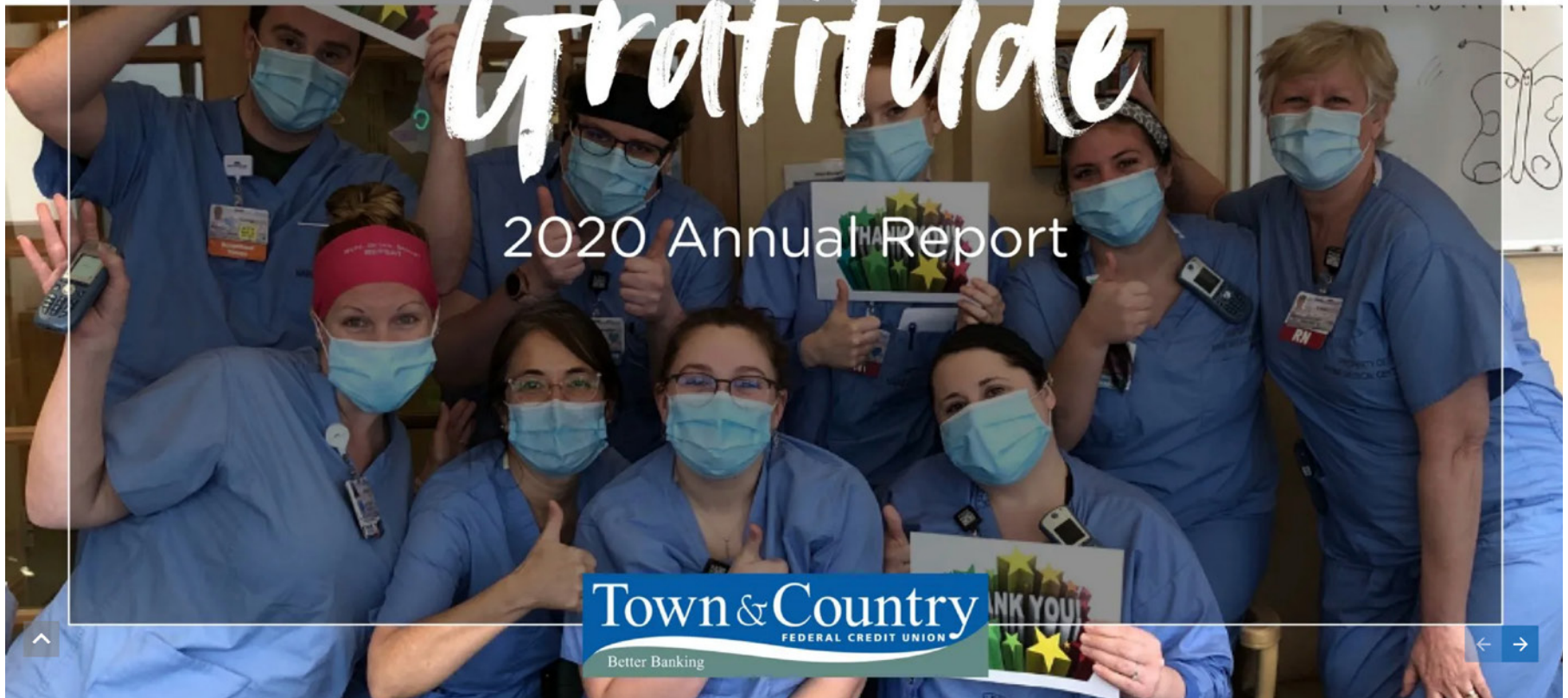




for TOWN and COUNTRY and

Gratitude

2020 Annual Report



Town & Country
FEDERAL CREDIT UNION
Better Banking



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Thanks for reading our report! Feel free to reach out if you have any questions.

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for TOWN *and* COUNTRY *and* **Gratitude!**

As we reflect upon 2020 and our credit union's navigation of the challenges that COVID and the pandemic had on our operations and, more importantly, our members, words like gratitude, strength and cooperation immediately come to mind. Yes, 2020 was a year few, if any, of us have experienced before in our lifetimes, but our credit union, our members and our communities showed tremendous resolve and we navigated it together with a common purpose that reminds us of who we are and what we do.

While helping and assisting people and communities is what Town & Country has done since we were founded 68 years ago, sometimes it takes difficult times and adversity to highlight the value of cooperation and a commitment to making a difference.

Despite sometimes trying and ever-changing circumstances, we persevered and accomplished a great deal in 2020 because we were ready and willing to pivot, evolve and make decisions based on our members' needs. In fact, by remaining true to our vision of delivering financial services that are singularly focused on our top priority - serving our member owners, Town & Country was one of only a handful of credit unions in Maine to be named 'One of the Best Credit Unions in Maine' by Forbes in 2020.

So, before we officially put 2020 in the archives, here are just a few of the things we're grateful for from the past year.

Loyal Members

Once the pandemic became a full-blown national and state emergency in early March of 2020, our growth became secondary in our priorities. While the only bottom line we are concerned with is the well-being of our members, we do have a responsibility to ensure we maintain a strong and stable financial position to serve our members' needs. Thanks to our wonderful member loyalty and trust, Town & Country finished 2020 well-positioned and poised for the year ahead. Assets and member shares led our growth in 2020, while lending and membership held steady in an environment that saw many credit unions and financial institutions experience negative numbers. Year-over-year asset growth saw an impressive double digit increase of nearly 12%, with member share growth among the highest in the state at close to 21% and return on assets placed in the top five among peers at a healthy .79%. Town & Country also held its spot as Maine's second largest credit union with just under 40,000 members.

Finding Creative Ways to Help and Say, "Yes"

Not only do we appreciate our members' support during the past year, but we have heard from many members appreciative of the assistance we were able to provide in their time of need. Within days of the state of emergency declaration, Town & Country was the first credit union in Maine to offer a Crisis Assistance Relief Loan with a special rate and terms, which members have and continue to be able to utilize. In addition, we deferred over 2,000 loans in 2020, refunded and waived hundreds of thousands of dollars in fees, and provided unique, one-on-one personalized attention and service to find solutions to individual member needs. We reinforced countless times over the past year that assisting our members in good times and in more difficult ones is when we truly shine. While at times the easiest answer may have been to say "No" to a member request or problem, we worked hard to find ways to say "Yes"!

"Because of our significant investment and experience with technology, we were able to seamlessly transition members to alternative delivery channels for banking services."

- David Libby, *President and CEO*

Technology

For many years, we have been a leader in integrating and utilizing technology to compliment our personal service. Because of our significant investment and experience with technology, we were able to seamlessly transition members to alternative delivery channels for banking services. Use of our mobile app and online banking services soared over the past year, including many new users who tried this technology for the first time and gave it rave reviews. As a founding member of the Shared Branching Network in Maine, our members were able to access services and perform most transactions at nearly 180 branch locations in the state and close to 6,000 nationwide, minimizing the impact of temporary branch closures and hours of operation changes as a result of the pandemic. Recognizing the need to offer in-branch appointments and other options, we introduced the 'For Town and Country and As YOU Wish' scheduling platform in early September. This system offers members an opportunity to schedule in-branch, phone, curbside and, in December, video appointments. This has allowed us to serve our members in a healthy, convenient, and safe manner. Finally, in August, we introduced a healthier way to pay by becoming the first credit union in Maine to offer a contactless debit card, which allows members to show, pay and be on their way.

Community

We have long held the belief that being part of a community is much more than having a sign on the road. Because of that belief, we have a tradition of supporting, being engaged and involved, and giving back to our community that is nearly unmatched. The reason we believe so strongly in helping our community is simple – it's the right thing to do.

In 2020, we brought our community support to a new level with the launch of 'Local Helping Local', a near-immediate response to helping local businesses, non-profits and other organizations significantly impacted by the pandemic. Through 'Local Helping Local', we supported close to 500 local restaurants, small businesses, and non-profits by purchasing and giving away tens of thousands of dollars in gift cards through our Facebook and Instagram pages. Additionally, we were among the first organizations to purchase meals for frontline healthcare workers and provide hand sanitizer to healthcare personnel, as well as provide funds for more than 10,000 meals for older adults and children. 'Local Helping Local' also partnered with countless non-profits including the Animal Refuge League of Greater Portland to provide essential funding for pet care during the pandemic.



“We reinforced countless times over the past year that assisting our members in good times and in more difficult ones is when we truly shine.”

- Jane Torres, Board Chair

People

Our employees are what makes Town & Country who we are. From our frontline branch staff who never missed a beat and demonstrated their commitment to serving our members no matter what, our Member Call Center staff who took extra care to answer member calls and emails and work diligently to find solutions and answers, to our lenders who worked tirelessly to consolidate and defer loans to provide relief to members, to our remaining staff who adapted to working in different locations to support the needs of the credit union and our members. Our entire staff deserves our sincere appreciation for going above and beyond throughout the past year. In your own ways, each of you have truly been amazing!

Though we are certainly ready to move forward from 2020 and its many challenges and heartaches it brought to so many, we are also filled with gratitude for our frontline and essential workers, the renewed sense of helping one another, and the promise of better and healthier days ahead with vaccines and other treatments.

Farewell to 2020, and here's to a 2021 that is defined by a new theme, 'For Town and Country and Hope'. To our member owners, our dedicated staff, and our volunteer board of directors, thank you.

A handwritten signature in black ink that reads "Jane Q. Torres".

Jane Torres, Board Chair

A handwritten signature in black ink that reads "David Libby".

David Libby, President and CEO



Helping others is who we are and what we do, and Town & Country has a long history of being a leader in the community when it comes to making a difference. In 2020, we took our leadership and commitment to helping and supporting who and where we serve to a new level.

Within days of the shutdown for most of Maine in March 2020, TCFCU introduced 'Local Helping Local' initiative as a way to support and bring attention to local businesses, organizations and causes. Originally envisioned as an initiative that would span a few weeks, 'Local Helping Local' has grown and continues to provide and highlight the ongoing needs of our community.

Since its launch, 'Local Helping Local' has provided thousands of dollars worth of gift cards to support local businesses, purchases hundreds of meals for frontline workers, distributed thousands of meals to hungry members of our communities, contributed thousands of dollars to local non-profits and other causes, and highlighted thousands of local businesses to support.

LOCAL BUSINESS

"We truly appreciate Town & Country for shining a spotlight on the need to support local businesses."

Local Helping Local

A non-profit day in the Month of May.



THANK YOU MESSAGE FROM NON-PROFIT

"This donation will help to reduce the number of hungry children this holiday season."

Highlights from 2020 include:

- Provided gift cards to support nearly 150 local businesses
- Contributed nearly \$200K to more than 100 local non-profits
- Delivered hundreds of meals to frontline healthcare workers
- Donated funds that provided close to 10,000 meals to children and seniors
- Made critical funding to help animal shelters impacted by the pandemic

Feedback from members, organizations and businesses has been overwhelming gratitude. One business said in an email, "We truly appreciate Town & Country for shining a spotlight on the need to support local businesses." In a thank-you message after receiving a contribution that provided nearly 25,000 meals to children, a non-profit remarked, "This donation will help to reduce the number of hungry children this holiday season." Numerous other messages and posts have praised the efforts of TCFCU over the past year.

Of course, all the while, our staff has been working to provide assistance to members and to serve the needs of members during challenging times. We are proud of the impact that 'Local Helping Local' has made to our members, businesses, non-profits and communities.



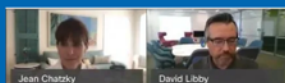
for TOWN *and* COUNTRY *and* Supporting Members' Financial Wellbeing

In 2020, many members faced significant financial challenges due to the pandemic. Some experienced job loss while others saw their hours at work reduced. Many employees shifted to working from home while parents juggled work, home-schooling and childcare. Others took on the role of caretaker for family members.

We knew members had many questions about their money and focused on meeting members where they were to provide the answers and financial solutions they needed. Whether it was through virtual programs, online and social media channels, the Town & Country and As You Wish program, or simply being a resource, the credit union provided information and support to help members—and others in the community—move forward in the wake of the financial uncertainty brought on by the pandemic.

Financial Education Workshops

The credit union hosted our award-winning annual Money Conference as a virtual event in June and invited personal finance expert, Jean Chatzky to talk with members about the seven money moves they could make right now to be financially resilient. Following the session, 10 members had the chance to work one-on-one with Jean in an 8-week money makeover program.



In the months that followed, Town & Country hosted a series of webinars on a range of personal finance topics addressing everything from how to deal with a financial “curveball”, estate planning basics, dealing with the financial challenges of divorce and separation and more.

Nearly 500 people participated in the virtual Money Conference and workshop series.

Financial Information and Resources

The credit union provided members struggling financially with timely information and community resources through tcfcu.com. From budgeting, how to talk to creditors, to where to turn for food, heat or housing assistance, Town & Country was there to help.

Throughout the year, the credit offered personal finance and money management tips and ideas on timely topics including how to get the most from a stimulus check or tax return to savings strategies through the monthly member newsletter, website, and social media channels. Plus, we develop a blog offering articles on topics ranging from working remotely, home remodeling ideas, estate planning and more.

Throughout the year, Town & Country representatives provided their expertise and served as a trusted resource to local news media on a wide range of personal finance topics. More than 370 news stories (or mentions) appeared in 2020 featuring Town & Country.

Community Outreach and Collaboration

Through its Local Helping Local initiative, Town & Country reached out to and aided local community organizations working to provide financial assistance and education to young people. The credit union sponsored the Maine JumpStart Coalition's virtual annual conference for financial wellness educators. It made donations to local education foundations helping connect students with computers and broadband for home learning and sponsored virtual financial education curriculum and program for area high school students.

Town & Country also partnered with several organizations working to meet the financial needs of underserved neighbors. We offered special financial education workshops for people in recovery with the Friendship House, discussed the financial impact of cancer with the Dempsey Center, how to cope with the financial challenges of divorce with the Kids First Center, and understanding bankruptcy and overcoming financial setbacks with Moeller Law.

for TOWN and COUNTRY and Financial Strength

COMPARATIVE BALANCE SHEET

AS OF DECEMBER 31, 2020 AND 2019

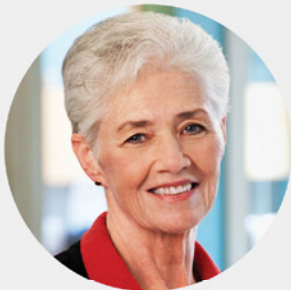
ASSETS	2020	2019
LOANS TO MEMBERS	\$ 360,494,670	\$ 360,348,811
ALLOWANCE FOR LOAN LOSSES	(2,438,402)	(2,621,589)
NET LOANS	\$ 358,056,268	\$ 357,727,222
CASH ACCOUNTS	4,440,865	2,413,156
INVESTMENTS	82,853,305	39,716,467
PREPAID EXPENSES	880,623	1,099,381
FURNITURE & EQUIPMENT	623,802	602,231
LAND & BUILDING	7,032,972	6,959,177
OTHER ASSETS	15,272,683	13,029,424
TOTAL ASSETS	\$ 469,160,518	\$ 421,547,058
SHARES & LIABILITIES		
SHARES	141,194,858	100,555,338
SHARE DRAFTS / CHECKING	128,738,522	96,072,358
MONEY MARKETS	59,259,865	40,735,946
CLUBS	16,063,215	11,730,558
IRAs	10,628,338	21,863,970
CERTIFICATES	71,432,216	83,379,664
OTHER LIABILITIES & NOTES PAYABLE	5,184,407	34,353,579
TOTAL SHARES & LIABILITIES	\$ 432,501,421	\$ 388,691,413
EQUITY		
REGULAR RESERVES	1,848,155	1,848,155
UNDIVIDED EARNINGS	34,315,662	30,806,230
UNREALIZED GAIN ON AVAILABLE FOR SALE SECURITIES	495,280	201,260
TOTAL LIABILITIES & EQUITY	\$ 469,160,518	\$ 421,547,058
CHANGES TO UNDIVIDED EARNINGS	2020	2019
BALANCE JANUARY 1	\$ 30,806,230	\$ 28,329,181
TRANSFER TO UNDIVIDED EARNINGS	3,509,432	2,477,048
UNDIVIDED EARNINGS TRANSFERS		
UNDIVIDED EARNINGS AT YEAR END	\$ 34,315,662	\$ 30,806,230

STATEMENT OF INCOME AND EXPENSES

AS OF DECEMBER 31, 2020 AND 2019

INCOME	2020	2019
INTEREST ON LOANS	\$ 18,313,083	\$ 18,350,567
INCOME FROM INVESTMENTS	733,239	872,509
OTHER INCOME	7,050,528	7,749,384
TOTAL OPERATING INCOME	\$ 26,096,850	\$ 26,972,460
LESS		
OPERATING EXPENSES	19,881,985	20,796,012
TO REGULAR RESERVES	0	0
DIVIDENDS PAID TO MEMBERS	2,548,877	3,033,822
INTEREST ON NOTES PAYABLE	156,556	665,578
EXTRAORDINARY ITEMS		
NCUA ASSESSMENTS	0	0
(GAIN) / LOSS DUE TO DISPOSITION OR IMPAIRMENT OF ASSETS	0	0
NET INCOME TO UNDIVIDED EARNINGS	\$ 3,509,432	\$ 2,477,048
BREAKDOWN OF OPERATING EXPENSES		
COMPENSATION	6,645,638	6,926,701
EMPLOYEE BENEFITS	1,989,913	2,098,766
TRAVEL & CONFERENCES	50,219	292,665
OFFICE OCCUPANCY	2,530,526	2,400,087
STATIONERY & SUPPLIES	375,100	395,247
PROFESSIONAL & OUTSIDE SERVICES	3,584,132	3,994,440
LOAN SERVICING EXPENSE	672,302	708,963
RESEARCH & DEVELOPMENT	349	0
PROVISION FOR LOAN LOSSES	1,320,000	1,300,000
MISCELLANEOUS OPERATING EXPENSES	15,320	52,232
SHARE DRAFT & IRA PROGRAM EXPENSES	171,632	159,600
CARD PROGRAM EXPENSES	2,526,854	2,467,311
TOTAL OPERATING EXPENSES	\$ 19,881,985	\$ 20,796,012

Board of Directors



Jane O. Torres
Board Chair



Joshua Fifield
Vice Chair



Paul Chamberlain
Treasurer



Anne Connolly
Secretary



Justin Lamontagne
Director



Monique Gorey
Director



Jessica Rice
Director



for TOWN and COUNTRY and
Thanking You!

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