

# 2021

Annual Report



 **Sound**  
FEDERAL CREDIT UNION



**Sound**  
REGIONAL CREDIT SERVICES

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**Imagined by our Members to serve.** For almost 70 years, our Members and the communities they live and work in have entrusted us to help make the imaginable possible. Your Board and our Team of dedicated professionals are honored by your trust, committing every moment of our day to care for our more than 6,000 Members with the innovative service solutions your trust and imagination deserve.

Since our inception, your Board of Directors has envisioned a Credit Union unlike any other... and 2021 continued our journey to deliver that which we only imagined for our Members. Through your continued trust, Sound reached unimagined service levels, growth, and financial prosperity. Our Team provided over \$40 million in loans to our Members, continued to pay dividends on your deposits well in excess of the market, expanded our service hours, and remained profitable. With your trust and support Sound has grown to be the industry leader our founders imagined, ranking as the 33rd best Credit Union in three states for value returned to our Members<sup>1</sup> and the 4th best Credit Union in Connecticut for overall financial performance<sup>2</sup>.

Now with assets approaching \$82 million, your Credit Union is imagining a greater service experience, blended with tradition and innovation, to continue our journey together to bring what you've imagined to you. More affordable products and services, more locations, expanded hours, and personalized service you can access anywhere are just a few of the improvements we'll be delivering to you. Imagine being able to afford your first home or that car you've always dreamed of. Imagine having one of our dedicated professionals delivering in-person service to you in the comfort of your home or office through a real-time secured video stream on your computer or mobile phone. Or imagine a new enhanced service location in Norwalk and Westport. Better yet, imagine a branch that will drive to you!

Just imagine!

***Helping Make The Imaginable Possible.*** That's our commitment to you and we are honored that you've entrusted us to do so. On behalf of the Board of Directors, Supervisory Committee, and the Credit Union Team, we wish you, your loved ones, your colleagues, and your friends health and prosperity.

**Dan Colleluori**  
*Board Chair*

1. Independently ranked by Callahan and Associates for Credit Unions with assets up to \$150 million in Connecticut, New York, and New Jersey
2. Independently ranked by Whittelsey Accountancy Corporation

**Helping Make The Imaginable Possible...** That's Sound Federal Credit Union's commitment to our Members and the communities we serve. Just imagine... a home of your own, a college education for your children, getting new skills at a top trade school, that new car you've been dreaming about, or just being able to retire without worries. If you can imagine it, our dedicated Team of outstanding professionals will craft the right solution for you to make that which you only imagined before truly possible.

Imagine an in-person service experience with a real live Credit Union professional on your phone, laptop or desktop... anywhere you are, at a time convenient for you! Imagine more service locations closer to where you live and work or even a branch that comes to you! Imagine your Credit Union, once in a one-room office, headquartered in its own building! These and so much more are on the way in 2022... all possible through your trust and imagination!

2021 was another in a series of years that presented continued challenges for our Members... challenges we still couldn't have imagined. Nevertheless, you continued to place your trust in us to proudly be there with you to help keep you in your home, help you afford to buy that first home, help find ways to lower those high interest rates you paid to others, or to help keep your business going even in the worst of times. Our founders imagined a special place for Members to find the solutions they needed to weather storms as well as enjoy the good times! Sound Federal Credit Union... Your Credit Union... is proud to continue making what our founders imagined possible!

Helping make the imaginable possible means you belong to an organization of caring professionals working tirelessly to deliver on our commitment to you every day. Yes... outstanding products and amazing value are what you'll find at your Credit Union each and every time you visit us, whether you're here in person or using our remote service delivery channels. But we believe you deserve more from us... more of what our founders envisioned and more of what your Board imagined, a community Credit Union should be. While we've dedicated ourselves to help make that which you imagine possible, we've now expanded our dedication to the communities our Members live and work in. Working with community organizations, charitable associations, and training dogs for the blind are just some of the many community support activities your Credit Union Team undertakes to proudly represent you each day.

We welcome the opportunity to help make that which you imagine possible and thank you for your support and continued trust. On behalf of your entire Sound Federal Credit Union family, I wish you and yours health and prosperity, and a healthy imagination.

**Edward H. Fox**

*President and Chief Executive Officer*

As Member advocates, not only are we dedicated to doing what is in our Members' best interests, we are committed that the Credit Union operates to the highest levels of safety, soundness, and security. Part of this commitment includes regular and ongoing inspection of the Credit Union's annual financial statements, information systems review, operational and compliance reviews, and internal controls reviews. Each year, **SOUND FEDERAL CREDIT UNION's** Supervisory Committee, serving independently from the Credit Union, appoints a third-party accounting firm to conduct an unbiased audit of **SOUND FEDERAL's** financial condition. In 2021, the accounting firm, Whittlesey, was again charged with conducting the audit.

Based upon the independent external audit and ongoing internal audits conducted by Whittlesey on behalf of the Supervisory Committee, I am pleased to report that **SOUND FEDERAL CREDIT UNION's** operations continue to be well-managed.

**Judith Isidro Dickson**  
*Committee Chair*



**SOUND FEDERAL CREDIT UNION** has demonstrated a proven track record of building on the success of the previous year, and 2021 was no exception. On behalf of the Board of Directors, Management and Staff, I'm pleased to report the following results:

### Soundness and Asset Quality

Confidence and trust in a financial institution is paramount. Rest assured that **SOUND FEDERAL's** performance in 2021 reinforces that your Credit Union remains safe, sound, and secure.

- ✓ Total Deposits grew by 5.7% to over \$73 million.
- ✓ Total Loans increased 16.6%, exceeding \$58 million.
- ✓ Total Assets improved by 5.9%, reaching almost \$81 million.
- ✓ Net income for 2021 was solid, coming in at almost \$151,000.
- ✓ And, as a result of our continued strong growth and profitability, the Credit Union finished 2021 with Net Worth Ratio of 9.29%; well above the National Credit Union Administration's standard for well-capitalized Credit Unions of 7.00%.

### Lending

Members continued to count on their Credit Union for some of the most competitive lending products in the marketplace today, receiving unmatched service for their personal, home, commercial, and small business financing needs.

- ✓ More than \$10.2 million in consumer loans were disbursed in 2021.
- ✓ More than \$23.9 million real estate-secured loans were funded.
- ✓ More than \$8 million in Member Business Loans were issued to help our business owners prosper.

### Assets Under Management and Investments

Members trusted us to be good stewards for their savings and investments in 2021, helping them to further improve their financial well-being.

- ✓ Member deposits grew over \$4 million to \$73.2 million.
- ✓ Our Members' Retirement Planning portfolio increased to over \$4.5 million.

2021 truly was an outstanding year. We look forward to delivering even more exceptional performances in 2022 and beyond. Thank you for choosing **SOUND FEDERAL CREDIT UNION** to be your trusted financial partner.

**Peter Privitera**

*Treasurer*

## CONSOLIDATED FINANCIAL STATEMENTS

Assets	As of December 31, 2020	As of December 31, 2021
Net Loans to Members	49,792,460	58,066,721
Cash & Equivalents	16,806,347	10,854,112
Investments	5,726,480	3,670,318
Fixed Assets	209,787	4,450,478
All Other Assets	4,715,304	4,822,352
<b>Total Assets</b>	<b>77,250,378</b>	<b>81,863,981</b>
Liabilities & Member Equity	As of December 31, 2020	As of December 31, 2021
Accounts Payable & Liabilities	709,820	1,010,021
Member Shares & Deposits	69,179,073	73,343,294
Reserves & Undivided Earnings	7,361,485	7,510,666
<b>Total Liabilities &amp; Member Equity</b>	<b>77,250,378</b>	<b>81,863,981</b>
Statement of Income	As of December 31, 2020	As of December 31, 2021
Interest on Loans	2,779,245	2,854,412
Investment Income	189,363	50,232
Other Income	601,336	1,116,821
<b>Total Income</b>	<b>3,569,944</b>	<b>4,021,465</b>
Operating Expenses	2,791,938	3,339,338
Provision for Loan Losses	75,000	209,900
Non-Operating Gains/(Losses)	(71)	—
Dividends and Interest	446,014	324,392
<b>Total Expenses</b>	<b>3,312,881</b>	<b>3,873,630</b>
<b>Net Earnings</b>	<b>257,063</b>	<b>147,835</b>

Your Sound Financial Partner since 1952

Helping Make The Imaginable Possible



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