



2024 Annual Report

Chairman and CEO's Message

In the history of Sound Federal Credit Union, 2024 presented as an inflection point, requiring serious evaluation of how to manage recent mergers, the products offered, locations maintained, personnel and balance sheet activity. The Management Team, along with the Board of Directors and Supervisory Committee worked together to redefine our short-term objectives and put Sound on a realistic, viable long term path. Our efforts restore to the core of our culture the importance of prioritizing the needs of our Members and requirements of our Regulators, to ensure the future success and sustainability of Sound.

Although, the year was filled with challenges and difficult decisions, the Team never wavered from ensuring our Members' interests were at the forefront of everything we did. We opened two state of the art, full service branches, one in our Norwalk Administrative Headquarters, and the other inside the Stop & Shop in The Ridgeway Center in Stamford. We've extended service hours including evenings and Saturdays. We've increased the dividends we pay for your deposits,

returning equity to our valued Members, paying out over \$1,000,000 in dividends and interest throughout 2024. We partnered with Coinstar to provide Members a vast network of locations to deposit cash and coin with no added fees. We've invested time and resources into our communities, volunteering at over 40 local organizations.

We're proud of all we've accomplished and will continue the momentum to achieve even more. With our redirected focus, we see a year full of opportunity. As we endeavor to strengthen our balance sheet and increase our equity, we will continue to focus on our most valuable asset, you, our Members. On behalf of the Board of Directors, volunteers, and Credit Union Team, thank you for your continued loyalty and support, we look forward to a prosperous future together!

Erik Larson
Chairman of the Board

Megan O'Marra Legault
President/CEO

Treasurer's Report

Our Credit Union had a challenging year in 2024. We strategically slowed asset growth by \$3,276,962 to end the year with total assets of \$124,608,527. We strengthened the quality of our loan portfolio and provided 683 loans totaling \$29,105,900 to our Members. Total reserves at December 31, 2024 were \$7,655,043 representing a Net Worth of 6.30%, which is defined as adequately capitalized by the National Credit Union Administration. Part of our strategic initiatives for 2025 are to bring our net worth to over 7% which would be classified as well-capitalized.

Our 2024 financial statements reflect a period of transition and opportunity for our Credit Union. We are taking a targeted approach to reducing expenses while increasing the quality of our product offerings. We continue to differentiate ourselves by keeping our service standards high, our loan and share rates competitive and our fees low, all of which contribute to member satisfaction and our future sustainability and controlled growth. We understand our Credit Union's financial income was disappointing in 2024, and have taken immediate steps to remedy these challenges. We are confident we have made the necessary organizational changes that align with our strategic goals to improve our profitability and ensure Sound continues to be successful for years to come.

Loan Report

It is the responsibility of the Loan Department to evaluate each Member's request for credit in order to ensure that it is for a prudent and productive purpose, that the applicant intends to, and has the ability to repay the loan as agreed, that the limits, terms and amounts requested are within the lending policies set by the Board of Directors and that it is in compliance with all Federal and State laws and regulations. It is also responsible for the collection of past due accounts.

During 2024, we were able to grant 683 requests for credit totaling almost \$30,000,000. This total is comprised of consumer loans, line of credit commitments and mortgages financed through our business relationship with Mortgage Markets CUSO. The total portfolio loans outstanding at year-end was \$95,132,375.

It is the pledge of each Loan Officer to serve all Members on a fair, consistent, and equal basis and to act in a responsible manner in order to protect the Members' investment in the Credit Union.

Sound Lending Team

Supervisory Committee

As Member advocates, we are dedicated to doing what is in our Members' best interest & committed to the Credit Union operating at the highest levels of safety, soundness, & security. Part of this commitment includes regular & ongoing inspection of the Credit Union's annual financial statements, information systems review, operational & compliance reviews, & 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 financial condition audit. The accounting firm, Whittlesey, has been engaged to conduct the 2024 audit.

Based upon the independent external audit & 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.

Anthony Romano, Supervisory Committee Chair

CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

Statement of Condition

<i>Assets</i>	<u>2023</u>	<u>2024</u>
Net Loans to Members	\$ 96,118,359	\$ 95,132,375
Cash & Equivalents	7,115,880	5,674,301
Investments	8,270,344	5,342,794
Fixed Assets	7,814,977	7,673,194
All Other Assets	8,565,930	10,785,863
Total Assets	\$127,885,489	\$124,608,527

<i>Liabilities & Member Equity</i>	<u>2023</u>	<u>2024</u>
Accounts Payable & Liabilities	\$ 10,850,157	\$ 6,187,829
Member Shares & Deposits	107,589,685	110,671,936
Reserves & Undivided Earnings	9,445,647	7,748,762
Total Liabilities and Member Equity	\$127,885,489	\$124,608,527

Statement of Income

	<u>2023</u>	<u>2024</u>
Interest on Loans	\$ 6,115,256	\$ 6,682,933
Investment Income	614,083	607,355
Other Income	1,372,460	1,316,891
Total Income	\$ 8,101,799	\$ 8,607,179
Operating Expenses	\$ 7,499,410	\$ 7,060,542
Provision for Loan Losses	204,000	1,183,493
Dividends and Interest	1,049,668	2,064,913
Total Expenses	\$ 8,753,078	\$ 10,308,948
Net Earnings	\$ (651,279)	\$ (1,701,769)

OFFICIALS AND OFFICERS

Board of Directors

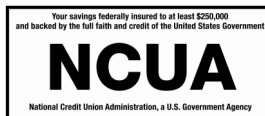
Erik Larson, Chairperson
 Lisa Reynolds, Vice Chairperson
 Peter Lucia, Treasurer
 Tania Barnes, Secretary
 Ruth Cavayero
 Daniel Colleluori
 Shelly Hall
 David Hartman
 Peter Privitera
 Pamela Scott
 Robert Westervelt

Supervisory Committee

Anthony Romano, Chairman
 Teresa Drew
 Judith Isidro-Dickson

Management Team

Megan Legault, CEO/President
 Faith Fuller-Hayden, CFO
 Stephen Tedesco, EVP Member Engagement
 Kiki Johnson, Director of Administration
 Mikilah Worsley, Senior Vice President of Operations
 Carolyn Evans, Vice President, Consumer Lending
 Shirley Heredia, Vice President, Residential Lending
 Maria Davis, Vice President, Project Management
 Antonia Perez, Director Card Services/Recovery Services



We do business in accordance with the
 Federal Fair Housing Law and the
 Equal Housing Opportunity Act.

Sound Federal Credit Union
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