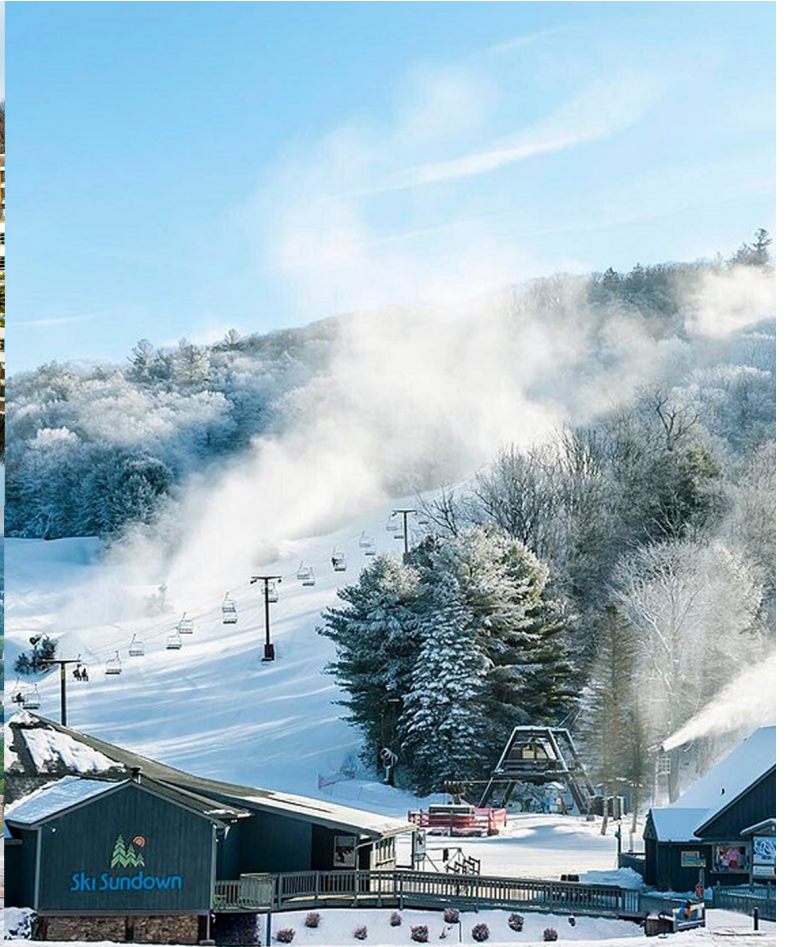




ANNUAL REPORT 2022



 **Sound**
FEDERAL CREDIT UNION



“ Everyone is extremely helpful and customer service is clearly a top priority. ~ Rick M.



Since 1952, SOUND FEDERAL has been on an evolutionary journey to bring the more than 2 million residents of Fairfield, New Haven and Litchfield counties a growing, strong, innovative Credit Union focused on service and convenience to transport that which you imagine to within your grasp. With your trust, our carefully planned journey with you has resulted in **extraordinary growth and profitability, three community branch locations, a new headquarters, a full-service Member contact phone center, new individualized lending programs, and a strong capital position** to protect your deposits... Soundly positioning your Credit Union to continue the journey with you well into the future.

Our collective future was made even brighter with the overwhelming approval from the Members of the *Tri-Town Teachers* and *Merritt Federal Credit Unions* to come together with us as one. We are so grateful to these two new Memberships for placing their trust in Sound Federal and welcome them to our Credit Union family!

As you look through this Annual Report, you'll see tremendous Asset growth; now over \$120 million, and Sound profitability; more than \$310,000, that you've helped your Credit Union experience. Sound Federal now **Makes the Imaginable Possible** for 9,300 Members (*over 3,000 more than in 2021*), has delivered more than \$40 million in affordable home, consumer, and small business loans to you, and cares for almost \$108 million of your savings and retirement funds.

Our well-planned journey with you will continue to assure a Sound financial partner that will bring you innovative services, expanded service hours, and more value for your Membership. Additional locations using the latest technology are also planned in the coming years to improve service and convenience. These enhancements, and so much more are what you can expect as we continue our journey together!

On behalf of the Board of Directors, Supervisory Committee, and the entire Credit Union Team, I would like to thank you for your Membership and continued trust in your Credit Union. With you, we are committed to continuing our exciting journey together to help make all you imagine possible!

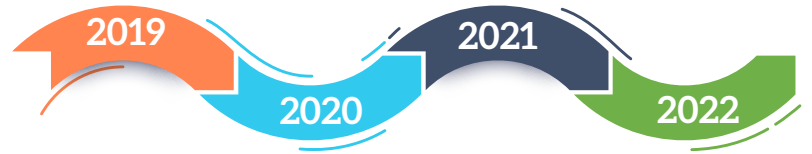
Warm Regards,

Peter Prívitera
Board Chair



KEY MILESTONES & GROWTH

2019-2022

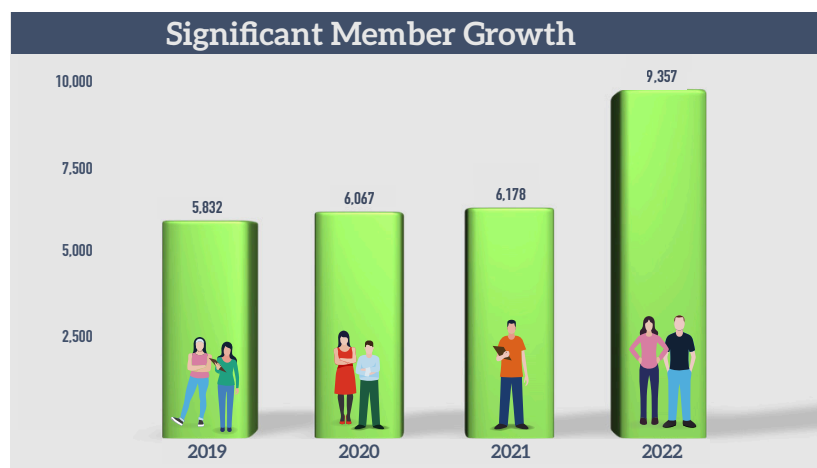


SIGNIFICANT MILESTONES

- New President/CEO
- New name and rebranding
- Launch new website
- Purchase new 30,000 sq. ft Administration and Member Service Center
- Expand Field of Membership – Fairfield, New Haven & Litchfield Counties
- Mergers with Tri-Town Teachers and Merritt Federal Credit Unions
- Add new branch locations in Westport & Wilton

SIGNIFICANT GROWTH

	2019	2020	2021	2022
Loans Growth \$	45,177,000	50,030,000	58,328,000	88,664,000
Checking \$	8,325,000	10,796,000	12,118,000	19,697,000
Total Savings \$	26,494,000	31,763,000	35,743,000	62,137,000
Total Deposits \$	58,672,000	69,179,000	73,343,000	107,875,000
Total Equity \$	7,110,000	7,361,000	7,510,000	10,399,000
Total Assets \$	66,476,000	77,250,000	81,863,000	120,637,000
Members	5,832	6,067	6,178	9,357



 *I don't have to wait long ever. The tellers are always nice and efficient. ~ Erin M.*

Carolyn answered all my questions, made the auto loan process seamless and it was a stress-free experience! ~ Shannon A.

Throughout our history, the Members of **SOUND FEDERAL CREDIT UNION** have embarked on countless, life-changing journeys in their quest to achieve what they've imagined. Some journeys find one on a path filled with surprise and wonder, other paths will be carefully planned, and some undoubtedly tough. Whether the path to achieve what you've imagined is easy or difficult, whether that path is clear or foggy, know that your Credit Union is dedicated to being with you every step of the way to help ***Make the Imaginable Possible.***

Together with our Members, and buoyed by our strong Stamford roots, the careful planning by your dedicated Board of Directors, and the delivery of exceptional service from our caring professionals, **SOUND FEDERAL CREDIT UNION** produced historic results in 2022! Through our carefully planned journey, your Credit Union:

- ✓ Grew Membership to over 9,300
- ✓ Increased the deposits we care for to just under \$108 million
- ✓ Provided more than \$40 million in home, consumer, and small business loans to our Members
- ✓ Increased the assets you've entrusted to us to over \$120 million
- ✓ Strengthened reserves to over \$10 million
- ✓ Expanded our Field of Membership to serve all who live, work, worship, or go to school in Fairfield, New Haven, and Litchfield counties
- ✓ Welcomed two new Credit Unions to our family; Tri-Town Teachers Federal Credit Union and Merritt Federal Credit Union
- ✓ Added two new community service (branch) locations to our original service location in Stamford; one in Westport and one in Wilton
- ✓ Added a new headquarters building of our own that features a full-service Member contact phone center
- ✓ Through our Courtesy Pay program, paid over \$1.2 million of our Members expenses to help them pay for their groceries, gas, and household bills



Our well-planned journey with you will continue to assure a Sound financial partner that will deliver more value for your Membership in 2023 and beyond. More innovative services, more service locations, expanded service hours, and first-time homebuyer programs are just some of the many improvements we've planned for you! One of the many improvements you'll see in 2023... a branch location anywhere you are delivered with live video through your mobile device or desktop computer! Gone will be the days of having to visit a branch office for service... the branch will be right in the palm of your hand! This innovative convenience, along with so much more, is what you can expect as we continue our journey together to ***Make the Imaginable Possible!***

On behalf of our amazing, dedicated group of professionals and your devoted Board of Directors, I'd like to extend our heartfelt invitation to each of you to continue this incredible journey with us to bring all you imagined to your lives. May you and yours enjoy health, prosperity, and a robust imagination!

Edward Fox

President and Chief Executive Officer



SOUND FEDERAL CREDIT UNION has demonstrated a proven track record of building on the success of the previous year, and 2022 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 2022 reinforces that your Credit Union remains safe, sound, and secure.

- ✓ Total Deposits grew by 47% to just under \$108 million.
- ✓ Total Loans increased by almost 52%, approaching \$89 million.
- ✓ Total Assets improved by 49%, exceeding \$120 million.
- ✓ Net income for 2022 was solid, coming in at just over \$310,000.
- ✓ And, as a result of our continued strong growth and profitability, the Credit Union finished 2022 with Net Worth Ratio of 8.62%; well above the National Credit Union Administration's standard for well-capitalized Credit Unions of 7.00%.

Lending

Members continued to count on **SOUND FEDERAL CREDIT UNION** to help *Make the Imaginable Possible* with some of the most competitive lending products in the marketplace today, receiving unmatched service to finance their personal, home, and small business dreams.

- ✓ More than \$16.8 million in consumer loans were disbursed in 2022, with
- ✓ Almost \$22 million in real estate-secured loans, and
- ✓ More than \$1.6 million in small business loans to help our Members prosper.

Assets Under Management and Investments

Members trusted us to be good stewards for their savings, investments, and retirement funds in 2022, helping bring what they imagined ever closer to reality.

- ✓ Member savings grew to \$54 million.
- ✓ Member certificate investments grew to \$20.6 million.
- ✓ Our Member's Retirement Planning portfolio increased to over \$5.3 million.

2022 truly was another outstanding year for your Credit Union and we look forward to delivering even more exceptional performances to you in 2023 and beyond. Thank you for choosing **SOUND FEDERAL CREDIT UNION** to be your trusted financial partner, allowing us to help *Make What You Imagine Possible*.

Pamela Scott
Treasurer

SOUND KEY GROWTH OVER 4 YEARS



The no hassle banking approach.

~ Sandra H.

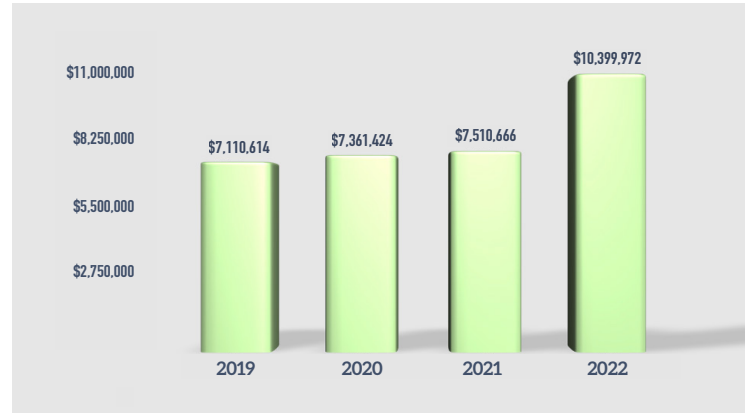
I love that the auto loan rates are much lower than with other lenders.

~ Paula G.

Very friendly approach in every single transaction.

~ Ruben P.

2019-2022

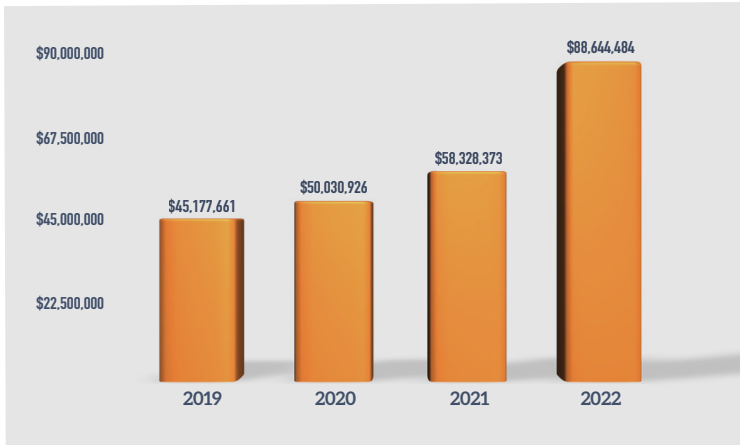


▲ Total Equity



The personal interaction between myself and the employees, their flexibility and understanding, their willingness to help resolve problems.

~ Christine Z.



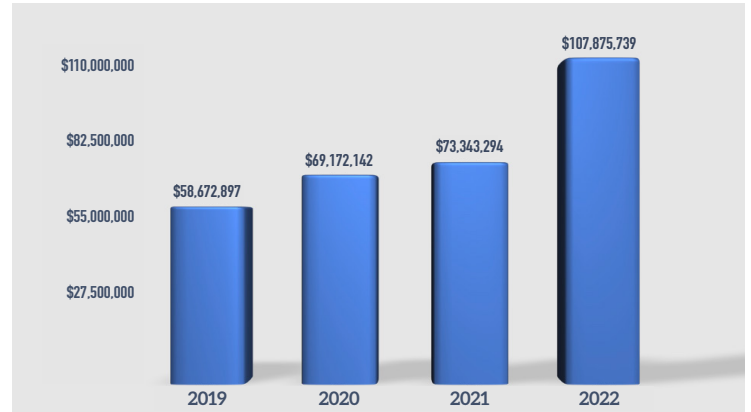
▲ Total Loans



Being honest, putting the car loan on hold really helped around the holidays, give you extra money to use, great help, thanks. ~ Charlie M.

"When I go in person, I'm treated like family, and when I call on the phone, it's like I'm talking to my best friend.

~ Alfred P.

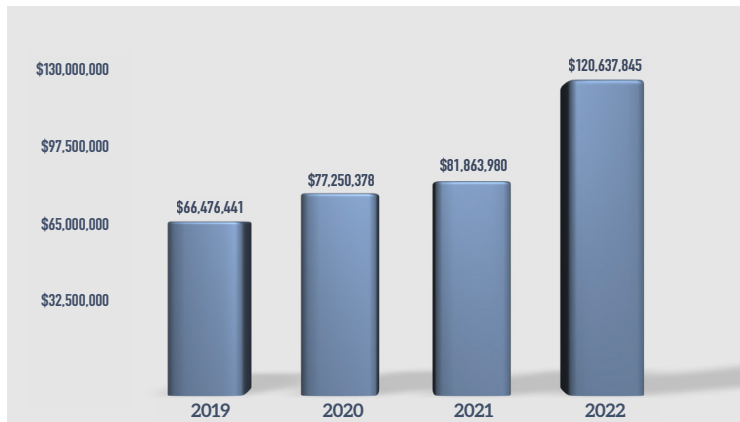


▲ Total Deposits



Excellent customer service. Rates and fees are reasonable, and the employees always act in the best interest of the customer first, not what will generate the highest fees!

~ Joseph G.



▲ Total Assets

CONSOLIDATED FINANCIAL STATEMENTS

2022

Assets	As of December 31, 2021	As of December 31, 2022
Net Loans to Members	58,066,721	88,430,452
Cash & Equivalents	10,854,112	7,385,891
Investments	3,670,318	7,736,719
Fixed Assets	4,450,478	8,806,879
All Other Assets	4,822,352	8,277,904
Total Assets	81,863,981	120,637,845
Liabilities & Member Equity	As of December 31, 2021	As of December 31, 2022
Accounts Payable & Liabilities	1,010,021	2,362,134
Member Shares & Deposits	73,343,294	107,875,739
Reserves & Undivided Earnings	7,510,666	10,399,972
Total Liabilities & Member Equity	81,863,981	120,637,845
Statement of Income	As of December 31, 2021	As of December 31, 2022
Interest on Loans	2,854,412	3,634,606
Investment Income	50,232	100,104
Other Income	1,116,821	1,411,198
Total Income	4,021,465	5,145,908
Operating Expenses	3,339,338	4,361,272
Provision for Loan Losses	209,900	174,100
Non-Operating Gains/(Losses)	—	—
Dividends and Interest	324,392	300,334
Total Expenses	3,873,630	4,835,706
Net Earnings	147,835	310,202

*Unaudited

As Member advocates, not only are we dedicated to doing what is in our Members' best interest, we are committed that the Credit Union operate 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 2022, 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.

Anthony Romano
Committee Chair

“ *I went to them with one financial problem, and they ended up solving three of them with their expert advice and guidance. My credit score has jumped 100 points since working with them. ~ Jazzy M.*



OFFICIALS AND OFFICERS

Board of Directors

Board Chair:	Peter Privitera
Board Vice-Chair:	Erik Larson
Board Secretary:	Lisa Reynolds
Board Treasurer:	Pamela Scott
Director:	Tania Barnes
Director:	Peter Lucia
Director:	Daniel Colleluori
Director:	Ruth Cavayero
Director:	Robert Westervelt
Director:	Shelley Hall

Supervisory Committee

Committee Chair:	Anthony Romano
Committee Secretary:	Terry Drew
Committee Member:	Judith Dickson

Leadership Team

President & Chief Executive Officer:	Edward Fox
Executive Vice President/CSO:	George Sessa
Executive Vice President/CAO:	Shaun Mee
Executive Vice President/CFO:	Faith Fuller-Hayden
Executive Vice President/CLO	Stephen Tedesco
Executive Vice President/COO	Megan Legault
Vice President/Information Services:	Richard Inniss
Vice President/Electronic Services:	Mikilah Worsley
Vice President/Consumer Lending:	Carolyn Evans

“ *The online banking has been effortless for me. The rare times that I go to a teller, they're efficient, polite and quick. Mostly the lack of fees is what brought me to credit union. ~ Laura D.*

Very helpful in every aspect. I have had a long relationship with SFCU and they have always been very supportive and attuned to my needs. ~ Alyce B.



Sound

FEDERAL CREDIT UNION

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