



2023 Annual Report

Chairman and CEO's Message

Looking back at 2023, we see our Credit Union enjoying a year of accomplishments. We finalized three conversions, seamlessly integrating all of our members onto a single core system. We added branch locations, extended service hours, and an innovative, state-of-the-art "eBranch" combining digital convenience with face-to-face, all-inclusive personalized service through real-time video. We introduced a market-beating new checking program, Unique Value Checking, that pays up to 5.0% APY on your everyday money, and we launched a First-Time Home Buyers Loan Program, helping Members fulfill their dream of home ownership without the need for a down payment.

These are just some of the changes your Credit Union delivered to assure a bright future for our Members and help with your journey to achieve financial success. Coming soon... even more convenience using video teller machines, more branches where you shop, and a new surcharge-free service through CoinStar that will allow you to deposit coin and cash directly into your Sound Federal account!

As you read through this Annual Report, you'll see that the enduring changes we've delivered have brought continued growth and prosperity for our 9,500 Members. You've trusted us to care for nearly \$128 million of your combined assets and we've provided more than \$96 million in loans to help you make the imaginable possible. But perhaps more importantly, Your Membership with Sound Federal has given us the ability to pay over \$1 million in dividends and interest to you!

On behalf of the Board of Directors, volunteers and Credit Union Team, we thank you for your continued support and the opportunity to assist you with your financial needs. Together, we are committed to continuing our exciting journey of enduring, positive change together to help make all you imagine possible!

Peter Privitera
Chairman of the Board

Faith Fuller-Hayden
Interim CEO

Treasurer's Report

Our Credit Union had another outstanding year in 2023. Total assets increased by \$7,247,644 to \$127,885,489 at December 31, 2023 an increase of 5.67%. Total Loans increased by 8% to \$96,118,359 at December 31, 2023. Total reserves at December 31, 2023 are \$9,445,647 or a strong 7.39% of total assets. Your Credit Union is classified as adequately capitalized by the National Credit Union Administration.

The financial statements provided in this report reflect the financial strength of your Credit Union. This financial strength allows the Credit Union to keep service levels high, our loan and share rates competitive and our fees low, all of which contribute to growth, financial stability, and member satisfaction. Our Credit Union experienced some localized challenges which hindered our income growth. The Team is focused and enthusiastic about creating a better outcome for our Members in 2024.

Overall, 2023 was another year of investment and Asset growth for your Credit Union & we look forward to delivering even more exceptional performances to you in 2024 & beyond. Thank you for choosing Sound Federal Credit Union to be your trusted financial partner.

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 2023, we were able to grant 889 requests for credit totaling \$37,189,210. 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 increased from \$88,460,452 in 2022 to \$96,118,359 in 2023.

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. In 2023, the accounting firm, Whittlesey, again conducted the 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>2022</u>	<u>2023</u>
<i>Net Loans to Members</i>	\$ 88,430,452	\$ 96,118,359
<i>Cash & Equivalents</i>	7,385,891	7,115,880
<i>Investments</i>	7,736,719	8,270,344
<i>Fixed Assets</i>	8,806,879	7,814,977
<i>All Other Assets</i>	8,277,904	8,565,930
<i>Total Assets</i>	\$ 120,637,845	\$ 127,885,489

<i>Liabilities & Member Equity</i>	<u>2022</u>	<u>2023</u>
<i>Accounts Payable & Liabilities</i>	\$ 2,362,134	\$ 10,850,157
<i>Member Shares & Deposits</i>	107,875,739	107,589,685
<i>Reserves & Undivided Earnings</i>	10,399,972	9,445,647
<i>Total Liabilities and Member Equity</i>	\$ 120,637,845	\$ 127,885,489

Statement of Income

	<u>2022</u>	<u>2023</u>
<i>Interest on Loans</i>	\$ 3,634,606	\$ 6,115,256
<i>Investment Income</i>	100,104	614,083
<i>Other Income</i>	1,411,198	1,372,460
<i>Total Income</i>	\$ 5,145,908	\$ 8,101,799
<i>Operating Expenses</i>	\$ 4,361,272	\$ 7,499,410
<i>Provision for Loan Losses</i>	174,100	204,000
<i>Dividends and Interest</i>	300,334	1,049,668
<i>Total Expenses</i>	\$ 4,835,706	\$ 8,753,078
<i>Net Earnings</i>	\$ 310,202	\$ (651,279)

OFFICIALS AND OFFICERS

Board of Directors

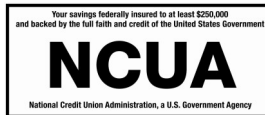
Peter Privitera, Chairperson
 Erik Larson, Vice Chairman
 Lisa Reynolds, Secretary
 Pamela Scott, Treasurer
 Tania Barnes
 Ruth Cavayero
 Daniel Colleluori
 Shelly Hall
 David Hartman
 Peter Lucia
 Robert Westervelt

Supervisory Committee

Anthony Romano, Chairman
 Teresa Drew
 Judith Isidro-Dickson

Executive Team

Faith Fuller-Hayden, Interim CEO
 Megan Legault, Executive Vice President, COO
 Shaun Mee, Executive Vice President, CAO
 Stephen Tedesco, EVP Member Engagement
 Richard Inniss, Chief Information Officer
 Mikilah Worsley, Senior Vice President of Operations
 Carolyn Evans, Vice President, Consumer Lending
 Shirley Heredia, Vice President, Residential Lending



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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