



2020

Annual Report



Message to Members

Year in Review

We were built by hardworking men and women who trusted each other. They shared their savings and they borrowed from one another. That's what we were founded on and how we continue to operate today. This has never been more evident than during 2020 when we experienced a global pandemic. Employees across the credit union reinvented themselves and the way we work to help each other and our members through each crisis that arose. In March, we were forced to quickly shift and focus on how we were going to pull our members, employees, and our credit union through the pandemic.

As the impacts of the COVID-19 pandemic began to unfold, our team rose to the occasion and worked swiftly to support the health and safety of our members and each other. We adjusted our daily routines, modified our in-person operations, enhanced our online and remote delivery channels, added necessary personal protective equipment, strengthened cleaning protocols and shifted more than 80% of our employees to remote work.

In a meeting with our pandemic team in mid-March, we all agreed that we needed to implement products and programs to provide immediate financial relief for our members. Our employees rose to the challenge.

In March 2020, we adapted the **Loan Skip-a-Payment** program to give members much needed relief from vehicle loans, recreational loans, and unsecured personal loans. We temporarily removed the \$35 fee, adjusted the qualifying requirements, and allowed members more time to pay back their loans. We also implemented a **LifeLine of Credit** that provided many members with the cash they needed to make it through their furloughs. In addition, we dug in and determined how to provide **Paycheck Protection Program (PPP)** loans to help business in our community by funding \$249,272 in PPP loans. We also included **Mortgage Forbearance Relief**, which allowed homeowners to reduce or delay monthly mortgage payments up to 90 days.

When we were mandated to limit our staff within our branches, we put our collective heads together and worked through many hurdles allowing us to provide all of our services via ITMs, drive through, and online banking. Throughout the pandemic, we sent regular communications to our members keeping them informed as we saw changes happen. We couldn't be prouder of this team. We never discontinued service to our members. Our lobbies remained open, and staff remained onsite to assist members as needed. We are very proud of this accomplishment and that we remained a steady financial partner for our members in trying times.

It goes without saying that the past year has been nothing short of unprecedented. Seasons Federal Credit Union experienced unprecedented asset growth, which was fueled by very strong deposit growth. This was the result of members saving more and spending less, coupled with federal stimulus payments and normal organic growth. The economic fallout from the pandemic caused all loan and share rates to drop quickly early in the year, and that caused our financial outcomes to miss original projections. Strong and prudent adjustments were made to help offset the temporary hit to our earnings such as changes to our branch operation hours and we are well-structured for better outcomes in 2021 as a result of our decisions in 2020.

The Year Ahead

Seasons Federal Credit Union has never lost sight of the goal we started in 1935 – to help members save and borrow at the best rates possible while also being served by people you trust with the best services available anywhere. Eighty-six years later, our goal is still to create the best possible experience through personalization, friendly service, convenience, and the integration of modern enhancements to create speed and efficiency.

2021 will be a year of understanding where our most significant growth opportunities lie and implementing plans to make the most of those opportunities. Seasons Federal Credit Union will focus on four key strategic areas: loan growth, member experience, employee experience, and community presence.

Loan Growth

2020 saw mortgage rates drop to historical lows, and many members took advantage of these rates by refinancing or purchasing a home. We dedicated extra resources toward processing and guiding each member through the home loan journey. We will continue to offer competitive rates and products for all of our members.

In 2020, we relaunched the indirect vehicle lending program offering financing to buyers at dealerships. With our highly competitive vehicle loan rates, special offers, and expanding dealer partnerships, we are poised for continued growth in 2021. We are excited to serve even more of our communities through this channel.

As we grow our credit card program, it is essential that we provide our members with a unified experience. What this means for our members is even better service, enhanced card features and benefits, and online tools to easily manage cards and rewards. In late 2021, we will release a new and improved credit card rewards program that gives you more.

Member Experience

Even before the pandemic changed the way we do everything, online/digital banking has been on the rise in recent years, but the pandemic forced large-scale uptake and many members learned a different way to bank. Online and mobile banking allow members to conduct most transactions such as deposit checks, transfer money, view balance or account activity, open accounts, pay bills, apply for loans and more can be done. As we move forward, we will continue to upgrade and enhance our systems, products and services to provide you with choices so you can do your banking how you want, when you want, where you want.

Employee Experience

At the beginning of the COVID-19 pandemic, we enabled our employees to work remotely yet securely from their homes. The transition was smooth and fast with no member service interruptions. For the few employees still coming to the office, strict safety and cleaning measures were immediately put in place. As Connecticut vaccination progress and in accordance with federal, state and local government guidelines and recommendations, we will begin phasing back our in-office personnel

and return to a more normal operating model. Thank you for your patience and loyalty as we worked together during COVID-19 to keep our members, employees and communities safe and healthy.

Community Presence

At Seasons Federal Credit Union, we believe we have a responsibility to help make this world a better place and that starts with how we help our neighbors and neighborhoods thrive every day. We're proud to offer business checking accounts and traditional commercial loan products designed to offer flexible financing options for purchasing or refinancing commercial real estate, fleet vehicles, inventory, and equipment. Business isn't "just business" at Seasons Federal Credit Union, but a relationship that nurtures small business growth and innovative ideas to benefit our community's financial health at large. We believe stronger communities' benefit everyone. We are proud to both take the lead and stand beside our members as we make our hometowns even better places to live, work and play.


Thank you for the part you have played in our past and for being on this growth journey with us. Your trust in our credit union, reflected by being an owner, borrowing from us, and investing your hard-earned dollars with us, is why we are still in business 86 years later. You can count on us to be true to your money, your goals, your community, and above all, true to you.


Respectfully,

Keith A. Wiemert
President/CEO

Jim Misenti
Board Chairman

2020 Lending Report

 We offer our members affordable financing for vehicles, mortgages, home improvements, student loans, consolidation, and so much more.

 Helping about 18,000 members afford life!

During 2020 Seasons Federal Credit Union originated 1,262 loans, lines of credit and credit cards totaling \$27,633,814. The First Mortgage Department originated and sold 52 mortgages totaling \$9,554,450. These mortgages were subsequently sold on the secondary market to Fannie Mae. The credit union also purchased pools of loans via participation totaling \$22,426,575. Last year's loan production totals, detailed by product type and amount of credit extended, were as follows:

Loan Type	Number of Loans Originated	Total Credit Extended
New Auto	59	\$2,182,745
Used Auto	370	\$7,908,589
RV	7	\$110,245
New Auto - Indirect	11	\$241,938
Used Auto - Indirect	13	\$266,205
Closed End Second Mortgages	14	\$1,010,000
Home Equity Lines of Credit	35	\$924,350
Signature Loans	304	\$2,217,119
LifeLine of Credit	38	\$220,774
Credit Cards	179	\$449,550
Home Improvement Loans	65	\$931,014
SFCU Student Loans	12	\$184,443
Shared Secured Loans	17	\$225,000
Portfolio First Mortgages	75	\$10,512,569
SBA PPP	11	\$249,272
Subtotal	1210	\$27,633,814
Loan Participations		\$22,426,575
Sold First Mortgages	52	\$9,554,450
Total	1262	\$59,614,838

The loan portfolio balance as of December 31, 2020 was \$111,482,194. The yield on the credit union's loan portfolio at year-end was 4.447%.

Respectfully submitted:

Betsy Sommers
Senior Vice President

2020 Treasurer's Report

The world was forever changed last year with the COVID-19 pandemic. The negative ramifications of the virus highly impacted businesses, the economy, and individuals throughout the world. During 2020, the Federal Reserve cut interest rates by 150 basis points within a two-week period in March, lowering the Fed Funds Rate to a range of 0.00%-0.25%. According to Federal Reserve Chairman Jerome Powell the Federal Reserve "took a number of actions to support American families and business, and the economy overall, and to promote the flow of credit as we weather disruptions caused by the coronavirus". The credit union was able to fully serve our membership throughout the pandemic with our innovative electronic business model. However, the reduction to the Fed Funds and 10-year treasury rates toppled with substantial charge offs in the second half of the year caused financial restraints for the credit union resulting in a negative ROA of 0.952% and net loss of \$1,473,796. With deposit spending drastically reduced at the height of the pandemic and stimulus funds being dispersed in the fourth quarter, total assets increased by \$12,757,102 or 7.914% to \$161,194,835 for the year ended 2020. Deposit balances also increased by \$19,708,862 or 12.899%, resulting in a year-end deposit balance of \$152,796,885. Loan growth increased in 2020 by \$5,463,754 or 4.901% though 2020 with a year ending balance of \$111,482,193.

Seasons Federal Credit Union's regulatory capital ratio, an indicator of financial strength, was 6.462% as of December 31, 2020. The regulatory capital ratio is considered adequately capitalized as set by the National

Credit Union Administration (NCUA).

The financial information provided above is based upon a December year end and is consistent with the financial information posted at the branches on a monthly basis.

For 2021, we at Seasons will continue to provide even more value to our membership. We thank you for your continued support of the credit union.

Respectfully submitted,

Michele Patton
AVP of Finance



Supervisory Committee Report

The role of the Supervisory Committee is to ensure the safety and soundness of the credit union. As such the Board of Directors appoints the Supervisory Committee, which oversees the annual financial audit. As an independent body, the committee reviews practices and procedures by staff to verify that management carries out the policies set by the board. We also monitor compliance with applicable laws and government regulations. To accomplish these, we engage an independent certified public accounting firm to perform an audit that evaluates our accounting controls, financial statements and verify members' accounts.

The past year has been challenging for all businesses due to the COVID-19 pandemic, and Seasons Federal Credit Union is no exception.

During the past year, we were audited by the National Credit Union Association (NCUA). They have found areas the credit union can improve upon, and the recommendations have been brought before the Board of Directors. The Supervisory Committee will continue to monitor the recommended changes from the NCUA and monitor the Board of Directors actions to reach the goals and recommendations made by the NCUA.

In terms of member complaints, there was no significant increase in the number of issues presented to the Supervisory Committee in the last year.

The Supervisory Committee will continue to work with NCUA auditors, our outside auditing firm Doeren Mayhew, and internal stake holders including the Board or Directors, management and credit union members to ensure the safety of members accounts and excellent service they expect and deserve.

Respectfully submitted,

Jammie Middleton
Supervisory Committee Chairman



Consolidated Statement of Financial Condition

Assets	Dec 31, 2020	Dec 31, 2019
Cash and cash equivalents	12,461,235	20,114,992
Investments	22,343,328	7,756,080
Loans held for sale	1,348,000	776,000
Loans to members, net	110,696,303	105,418,804
Land and building	2,615,721	2,627,121
Other Fixed Assets	965,799	1,197,661
NCUA Share Insurance Capitalization Deposit	1,517,499	1,445,257
Other Assets	9,246,951	9,101,819
Total Assets	\$161,194,836	\$148,437,734
Liabilities and Retained Earnings		
Liabilities		
Accounts Payable and Other Liabilities	1,405,586	6,854,585
Members Shares and Savings Accounts	152,796,885	133,088,023
Total Liabilities	\$154,202,471	\$139,942,608
Retained Earnings	6,992,365	8,495,126
Total Liabilities and Retained Earnings	\$161,194,836	\$148,437,734

Consolidated Statement of Income

	Dec 31, 2020	Dec 31, 2019
Interest Income		
Interest on Loans	4,858,680	6,045,838
Interest on Investments	314,568	353,479
Total Interest Income	5,173,248	6,399,317
Interest Expense		
Dividends on Shares	709,908	868,275
Interest on Borrowed Money	136,841	218,994
Total Interest Expense	846,749	1,087,269
Provision for Loan Losses	955,064	500,479
Net Interest Income After Provision for Loan Losses	3,371,435	4,811,569
Non-Interest Income		
Fee Income	1,484,870	1,786,305
Other Operating Income	1,193,902	1,344,131
Gain on Investments	(4,986)	(5,034)
Total Non Interest Income	2,673,786	3,125,402
Non-Interest Expense		
Employee Compensation and Benefits	3,417,433	3,353,804
Travel and Conference Expense	31,726	47,338
Office Occupancy Expense	740,110	844,535
Office Operations Expense	2,328,292	3,105,583
Education and Promotional Expenses	105,411	83,390
Loan Servicing Expense	516,471	386,546
Professional and Outside Services	228,827	344,661
NCUA Fees	40,501	42,566
Miscellaneous Operating Expenses	110,246	136,875
Total Non Interest Expense	7,519,017	8,345,298
Net Income	\$(1,473,796)	\$(408,327)

2021 Scholarship Award Winners



Ethan C.

The Director's Scholarship
Haddam-Killingworth High School

Alyssa L.

The Dragon's Vault Scholarship
Middletown High School

Kya M.

The Jean Crook Memorial Scholarship
Middletown High School

2020 Annual Meeting Minutes

Held Virtually via Zoom
June 24, 2020 at 4:00 PM

Present:

Board Members: Jim Misenti, Nick Cook, Meghann LaFountain, William Howard, Chris Carbo, Scott Coleman and Jammie Middleton

Supervisory Committee: Jammie Middleton and Scott Melchiorri

Management Staff: Keith Wiemert, Robyn Swanson, Betsy Sommers, and Bill Weingartner

Dillon Tardif, Marketing Manager, encouraged membership to download our annual report and advised them to send questions via the chat feature.

Opening:

Jim Misenti, Board Chairman, opened the annual meeting at 4:03 PM. Suzanne Marquard was appointed Recording Secretary. Due to COVID-19 this year's meeting is being held virtually.

Jim Misenti welcomed everyone to the 85th Annual Meeting of the Credit Union. We had 15 members present, due to COVID-19, the NCUA changed the rules that we could conduct our meeting without a quorum being present. Any recommended amendments to the 2019 annual meeting minutes of last year's meeting were to be emailed into the credit union prior to today. We received no recommended amendments to the minutes; therefore, the minutes will stand.

Jim Misenti introduced members of the Board and Supervisory Committee. All members serve on a voluntarily basis and are members of the credit union.

Supervisory Report:

Jim Misenti told the members that the Supervisory Committee Report was provided in the Annual Report. He thanked the members of the committee for their efforts.

Report of the Nominating Committee:

Dick Larke read the report of the Nominating Committee. The Nominating Committee put forth the following slate for nomination:

Chris Carbo, Jammie Middleton and Jim Misenti.

Jim Misenti asked the membership to cast one vote to elect the members nominated by the committee. Robyn Swanson made a motion, Betsy Sommers seconded the motion, and the motion carried.

There were no petitions from the membership to be added to the nomination list. Chris Carbo, Jammie Middleton and Jim Misenti were re-elected for a three-year term.

Chairman's Report:

Mr. Misenti told the membership that there was a written report included in the Annual Report and invited Keith Wiemert to speak on the credit unions current matters related to COVID-19.

Mr. Wiemert addressed the membership stating during this COVID pandemic our main branch has remained opened, and our Meriden branch has recently reopened. We have been able to retain all employees with many transitioning to working remotely. Our staff has continued to provide excellent member service during this pandemic. We plan to increase staff presence in our lobbies, install protective shields, sanitize areas throughout the day, and provide masks and signage in our lobby areas. Please refer to our website for updates on Phase Openings.

With many members unemployed and/or effected by the pandemic we have initiated a LifeLine of Credit, with 0% for 6 months and no payment due for 90 days. We have a skip-a-payment program available for auto and personal loans. We are part of the statewide program providing forbearances on mortgages; originally for 90 days, which has been extended another 90 days; and the SBA paycheck protection program. We encourage members experiencing hard ship to contact our Member Solutions Team.

Keith Wiemert thanked the membership for their confidence and trust during this time and thanked staff for continuing to provide excellent service.

New Business:

Jim Misenti asked if there was any additional new business.

With no more new business, Mr. Misenti requested a motion to adjourn. Motion to adjourn the business meeting was made by Betsy Sommers at 4:14 PM. Bill Weingarter seconded the motion. Motion carried.

Jim Misenti thanked everyone for attending.

Suzanne J. Marquard
Recording Secretary

Our Board of Directors

Jim Misenti

Chairman

Nick Cook

Vice-Chairman

Meghann LaFountain

Secretary

Chris Carbo

Director

Scott Coleman

Director

William Howard

Director

Jammie Middleton

Director

Our Supervisory Committee

Jammie Middleton

Supervisory Committee Chairman

Scott Melchiorri

Member



Seasons

Federal Credit Union

860.346.6614
seasonsfcu.org
Insured by NCUA

Follow us at:

