

2023

Annual Report



President/CEO & Board Chairman Report

Dear Valued Members,

We are pleased to present the 2023 annual report for Seasons Federal Credit Union. As your President/CEO and Board Chairman, we are proud to report on the credit union's achievements, financial performance, and our ongoing commitment to serving our members and our communities.

News headlines in 2023 were a little scary for those of us working in the banking sector. We heard about things we haven't witnessed since The Great Recession of 2008, such as impending recession, economic crisis, liquidity problems, and so on. During the first half of the year, a few uniquely positioned, niche banks were closed by regulators due to the strain created by rapidly rising interest rates. While the failure of these banks was concerning, they were limited to a sector of regional banks that might not have been playing their best hand of cards given the economic circumstances.

Decreased loan demand and higher deposit rates caused our margins to shrink. However, Seasons FCU remains strong and viable despite these headwinds. We continually keep a keen eye on economic indicators and make proactive decisions that support the long-term sustainability of your credit union. Throughout 2023, we have maintained liquidity and capital positions while continuing to raise deposit rates and lend to those seeking to borrow.

2023 also brought several operational highlights, including secure and integrated texting to communicate with members within seconds. We've improved our user experience tools in online banking. We now offer integrated Plaid Instant Verification for members to pay their Seasons FCU loans from accounts they have elsewhere. We also added travel notifications for members to alert us of when they will be traveling to protect against potentially fraudulent activity. We have expanded our offerings for members who prefer to bank with Seasons FCU through self-service tools. We launched a new online loan application that has transformed the process and now applying online for a loan takes just minutes.

We also invested in our staff to increase their skills and knowledge, so they are empowered to deliver extraordinary member experiences. In 2023, we revamped our focus on new employee training, mentoring, coaching, and observing our staff to ensure they can deliver top-quality service to you.

On behalf of the entire Seasons Federal Credit Union team, we extend our sincere thanks to our amazing team members, dedicated board of directors, and most importantly, YOU our valued member. Thank you for your ongoing support. Your trust and loyalty drive our success.


As we look at what is next for Seasons Federal Credit Union in 2024, our strategic intents continue to be at the forefront of our plans. Member experience, employee experience, member growth, and community presence are our strategic focus areas as we set our vision for the future. We feel confident that Seasons Federal Credit Union is poised for even greater things in our communities and we're so grateful we are here on this journey together.


Sincerely,

Keith A. Wiemert
President/CEO

Jim Misenti
Board Chairman

2023 Lending Report

 We provide a wide array of loan products, including personal loans, auto loans, mortgages, and home equity loans, meeting diverse member needs.

 Together we make our communities stronger.

During 2023 Seasons Federal Credit Union originated 1722 loans, lines of credit and credit cards totaling \$32,246,498.54. The First Mortgage Department originated and sold 1 mortgage totaling \$384,000 on the secondary market to Fannie Mae. The credit union also purchased two pools of loans via participation totaling \$493,727.37. 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
Employee Benefit Loans	24	\$60,839.09
Home Equity Line of Credit	37	\$1,421,130.46
Holiday Loans	102	\$324,916.50
Home Equity Second Position	58	\$4,015,167.70
Home Improvement	43	\$587,485.92
Lifeline LOC	3	\$468,600.00
New Direct Auto	59	\$2,309,705.91
New Indirect Auto	82	\$2,797,884.00
Portfolio First Position	6	\$636,600.00
Upgrade Unsecured	147	\$1,887,021.00
RV	16	\$333,715.91
Share Secured	13	\$453,145.30
Private Student Loans	26	\$449,051.90
Signature	403	\$4,198,698.05
Used Direct Auto	291	\$7,261,793.88
Used Indirect Auto	231	\$6,740,573.16
VISA/Balance Transfer	181	\$300,169.46
Subtotal	1722	\$34,246,498.54
Loans Sold to Fannie Mae	1	\$384,000.00
Purchased Loans	2 Pools	\$493,727.37
Total	1725	\$35,124,225.91

The loan portfolio balance as of December 31, 2023 was \$125,529,226. The yield on the credit union's loan portfolio at year-end was 5.088%.

Respectfully submitted,

Betsy Sommers
Senior Vice President

2023 Treasurer's Report

The 2023 year provided many challenges and opportunities for Seasons Federal Credit Union. Rising interest rates and inflation coupled with the competitive local market we serve created a need to maintain pricing focus on all our products and services. The rapid rise in interest rates fueled member demand for certificates of deposit and other higher interest-bearing instruments. Loan volume began to change in the later part of the year as consumers became more sensitive to borrowing rates. The Credit Union was also able to take advantage of the higher rate environment through the purchase of investments into its portfolio.

Total asset growth for the 2023 year totaled \$1.8 million, or 1.05%. This was accomplished as the Federal Reserve raised its benchmark interest rates 4 times over the year to combat record inflation.

As a trusted partner that works closely with its members, the Credit Union services an active loan portfolio which had a balance of \$125 million at the end of the 2023 year. Deposits ended the year at approximately \$161 million. We finished the 2023 fiscal year with approximately \$174 million in assets and annual net income of \$453 thousand. Seasons Federal Credit Union's regulatory capital ratio, an indicator of financial strength, was 7.16% as of December 31, 2023. Based on the regulatory capital ratio, The National Credit Union Administration (NCUA) considers Seasons to be rated as a well-capitalized institution.

Higher rates of interest and inflation are expected to continue through the near future. We continue to focus on ways to earn higher returns while

providing our members with competitive rates. As such, we continue to seek ways to provide value to our members, from insuring we have the best people working on their behalf, to developing new products and services, and maintaining our rigorous underwriting, compliance, and credit standards.

We at Seasons want to extend our heartfelt thanks to all our employees for their contribution to our success in 2023, to our members, who have grown with us and rely on us for their financial needs, and to the communities we operate in for their continued support. We appreciate your continued confidence and support of Seasons Federal Credit Union.

Respectfully submitted,

Chris Moore
Chief Financial Officer



Supervisory Committee Report

Seasons Federal Credit Union's Supervisory Committee is a Board appointed volunteer organization that works on behalf of the membership as the "eyes, ears and voice" of the Member. The Supervisory Committee works to:

- Monitor the financial health of the Credit Union.
- Monitor the controls, policies, and systems put in place by the Credit Union to mitigate financial, operational, and compliance risks.
- Investigate perceived violations of credit union rules and policies, unethical behavior, or complaints there were not fully resolved to Member satisfaction through regular credit union channels.

The Committee performs vital activities on behalf of the members:

- Oversees Internal Audit – The Committee oversees and meets to review the internal audit planning process, the results of ongoing and completed audits, process on activities, management's responses, and addressing any recommendations.
- Engages External Audits and Monitors Examinations – To provide a fresh look at our financial statements and related internal controls, the Committee ensures rotation of audit staff with the audit firm.

The Committee would like to thank you, the members, for supporting Seasons Federal Credit Union. Likewise, we commend the Credit Union's volunteer Board for their diligence and guidance in the Credit Union's

oversight and their support of the Committee and its activities. Your Supervisory Committee is working in the best interest of you, the Seasons Federal Credit Union members.

Respectfully submitted,

Supervisory Committee



Consolidated Statement of Financial Condition

Assets	Dec 31, 2023	Dec 31, 2022
Cash and cash equivalents	7,056,013	7,774,443
Investments	23,105,263	18,819,131
Loans held for sale	-	-
Loans to members, net	124,946,499	128,067,874
Land and building	2,533,665	2,626,448
Other Fixed Assets	612,500	707,613
NCUA Share Insurance Capitalization Deposit	1,624,579	1,551,363
Other Assets	14,368,366	12,888,153
Total Assets	\$174,246,891	\$172,435,025
Liabilities and Retained Earnings		
Liabilities		
Accounts Payable and Other Liabilities	4,538,182	3,649,625
Members Shares and Savings Accounts	160,999,584	161,692,301
Total Liabilities	\$165,537,766	\$165,341,926
Retained Earnings	8,709,125	7,093,099
Total Liabilities and Retained Earnings	\$174,246,891	\$172,435,025

Consolidated Statement of Income

	Dec 31, 2023	Dec 31, 2022
Interest Income		
Interest on Loans	6,467,402	5,393,619
Interest on Investments	761,415	314,094
Total Interest Income	7,228,817	5,707,713
Interest Expense		
Dividends on Shares	1,119,993	232,004
Interest on Borrowed Money	53,410	45,533
Total Interest Expense	1,173,403	277,537
Provision for Loan Losses	785,000	381,699
Net Interest Income After Provision for Loan Losses	5,270,414	5,048,477
Non-Interest Income		
Fee Income	1,763,644	1,691,322
Other Operating Income	2,073,944	2,131,657
Gain on Investments	176	(1,669)
Total Non Interest Income	3,837,764	3,821,310
Non-Interest Expense		
Employee Compensation and Benefits	4,011,404	3,909,667
Travel and Conference Expense	44,943	30,110
Office Occupancy Expense	725,936	677,166
Office Operations Expense	2,622,407	2,362,846
Education and Promotional Expenses	163,681	143,811
Loan Servicing Expense	615,985	524,910
Professional and Outside Services	318,715	249,209
NCUA Fees	34,992	26,827
Miscellaneous Operating Expenses	116,822	190,253
Total Non Interest Expense	8,654,885	8,114,799
Net Income	\$453,293	\$754,988

2023 Annual Meeting Minutes

Held in Hybrid Format, Virtually via Zoom and In-Person at 524 South Main St, Middletown, CT
June 28, 2023 at 4:30 PM

Present:

Board Members: Jim Misenti, Meghann LaFountain, William Howard, Nick Cook and Jammie Middleton

Supervisory Committee: Jammie Middleton and Steven Kovach

Management Staff: Keith Wiemert, Robyn Swanson, Betsy Sommers, Chris Moore, Jamie Olander, Amanda Barrett, Krystal Aimi, Dillon Tardif, and Nicole DeAngelis

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 4:32 PM. Holding an annual meeting is mandated by federal regulations and the main purpose is to discuss the credit unions previous year and vote for the board of directors. Suzanne Marquard was appointed Recording Secretary.

Jim Misenti welcomed everyone to the 88th Annual Meeting of the Credit Union. We had 24 members present, which constitutes a quorum.

Any recommended amendments to the 2022 annual meeting minutes of last year's meeting were to be emailed to the credit union prior to today. We received no recommended amendments to the minutes; therefore, the minutes will stand. Motion to approve the minutes was made by Joe Laurito and seconded by Robyn Swanson, motion carried.

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

Supervisory Report:

Jim Misenti informed members the Supervisory Committee Report was provided in the Annual Report. He thanked the members of the committee for their efforts throughout the year.

Report of the Nominating Committee:

Richard 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.

Meghann LaFountain asked the membership to cast one vote to elect the member(s) nominated by the committee. Richard Larke made a motion, Joe Laurito 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 informed the membership there was a written report included in the Annual Report and invited Keith Wiemert to speak on the credit union's current matters.

Keith Wiemert addressed the membership. He stated the last three years have been challenging financially and otherwise; COVID. 2022 was a year of rebuilding and brought forth some good changes; financially and structurally. In 2023 we invest in technology with the implementation of a new loan decisioning model, creating a quicker more efficient loan process. With a drop in in-person transactions, digital technology is the future. Mr. Wiemert thanked the Board of Directors and the Supervisory Committee for their efforts throughout the year.

New Business:

Jim Misenti asked if there was any additional new business.

A member voiced their concerns about digital currency, a discussion ensued. As a credit union we are not looking at the world economic forum to guide us, we are separate from big banks, more like a community and as a member you own part of us. Member states we should have a choice, digital currency, or cash; and should raise our concerns to the government.

With no further new business, Mr. Misenti requested a motion to adjourn.

Motion to adjourn the business meeting was made by Joe Laurito at 4:52 PM. Meghann LaFountain seconded the motion. Motion carried.

Jim Misenti thanked everyone for attending and wished members continued well-being.

Suzanne J. Marquard
Recording Secretary

2024 Scholarship Award Winners

Clare B.

The Seasons FCU Community Scholarship
Mercy High School

Riley B.

The Jean Crook Memorial Scholarship
Coginchaug Regional High School

Our Board of Directors

Jim Misenti

Chairman

Scott Coleman

Director

William Howard

Director

Meghann LaFountain

Vice-Chairwoman

Nick Cook

Director

Jammie Middleton

Director

Chris Carbo

Secretary

Our Supervisory Committee

Jammie Middleton

Chairman

Sharon Maloney

Member

Steven Kovach

Member

George McGoldrick

Member



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Federal Credit Union

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