



2016

ANNUAL REPORT

A year that made a difference for our members

Providing value to our members and the communities we serve is at the forefront of everything we do. Our unwavering commitment to member service, community involvement and value drive every decision we make and we strive to deliver on our promise to provide more than our members expect and everything they deserve. It's this dedication and care that makes it different at Seasons Federal Credit Union.

We're excited to share some of the powerful work we have accomplished together in 2016 and we're proud to continue to be your partner in your financial journey. We look forward to another remarkable year ahead. We know that together, we can do great things.

We guided members one step closer to their financial goals

Welcome, new members!



We continued making a difference for all

19,214

MEMBERS



We had **2,202** new members join our SFCU family.



We put **1,723** members into a vehicle

16

members chose Seasons FCU to purchase their mortgage



10

started their first homebuying journey at SFCU



7

educational seminars to educate members on topics from credit scores to homebuying

We donated **\$5,000** in scholarships and **\$23,050** in sponsorships



\$3,256



SFCU employees believe in giving back so much, they donated \$3,256 of their own money

Our members gave back out of their own pockets

\$750



82nd Annual Meeting Of Members

June 21, 2017 : Now Faith Financial Cooperative

Business Meeting Agenda

1. Call to Order
2. Appointment of Recording Secretary
3. Approval of Last Year's Minutes
4. Introduction of Board of Directors
5. Introduction of Supervisory Committee
 - a. Supervisory Committee Report
6. Report of the Nominating Committee
 - a. Introduction of Nominees
7. Chairperson Report
8. New Business
9. Motion to Adjourn



A Letter from the President and Board Chair

Standing at the threshold of a new year in financial services is, in many ways, like peering into outer space. It's so expansive it can be overwhelming. It's constantly changing. And from a distance, it may be tough to distinguish the difference between a shining star and a potentially damaging meteor headed for the earth's atmosphere. Challenges are expected, but beyond them is a universe of opportunities.

Seasons FCU faced some financial challenges in 2016 and margins remain tight. Today, Seasons Federal Credit Union is more focused than ever on mitigating future losses through process improvements that lower our credit risk, while still maintaining our ability to do the right thing by our members in meeting their loan needs. In 2016, we had a net loan growth of 7.19%, ending the year loan portfolio balance at \$132,276,203. This is an increase of \$8,914,563 over 2015 totals.

In 2016, we were able to put 1,723 members into a low rate auto loan, resulting in \$33 million in new and used car loans. Sixteen members chose Seasons FCU to purchase their mortgage and ten of those members were first time homebuyers.

Branch Transition:

One of the most significant initiatives in 2016 was the implementation of both walk-up and drive-up Interactive Teller Machines (ITMs). There are now seven ITMs installed between our Middletown Branches & Meriden Branch. This technology provides members an efficient, personal experience by producing a great interaction between our virtual specialist and the member.

The closing of the Cromwell Branch was an extremely difficult but well thought out decision. The branch did not generate the volume of business needed to support its continued operation. More and more members are choosing to do their banking with Seasons FCU without ever setting foot in a branch. The adoption and usage of electronic services like direct deposit, mobile apps, online banking, automated telephone banking, and ATMs means less branch traffic. Seasons FCU has to balance investing in both technology and traditional brick & mortar branches.

Rebranding:

Our traditional branch style lacked the "WOW" element that we wanted to deliver to our members. Our employees do an outstanding job of making members feel welcomed but there was one main obstacle that was always in the way: the teller line. With a piece of bare of land, we went to work on a whole new branch concept that would step away from what had always been done in the past and started to design our branches based on the desire to service members more efficiently. As we made this transition, we wanted to freshen our brand and introduce new colors and experiences to members.

Another example is our newly designed website. This new platform allows our members to quickly access account information and easily research the array of products and services we offer. Our website is also compatible across all devices (smart phones, tablets and computers) to ensure your have information available when and how you want it any time and any place.

Making Members Life Easier:

In 2016, we added new payment options like Apple Pay™, Android Pay™ and Samsung Pay™. You can now make secure online or in-store purchases with a quick touch using your mobile device.

We also introduced CardValet® app for members to define when, where, and how their debit card is used. Within the app, you are able to turn your debit card "off", set transaction controls, and receive alerts to your smartphone. CardValet is a great way to control your spending and protect yourself against fraud.

A Letter from the President and Board Chair

Community Involvement:

Providing great member value is a priority, but we also have a commitment to contributing to the sustainability of our community. Our fifty-plus team members are a constant presence in the community, volunteering a total of over 525 hours in 2016.

The credit union donated \$5,000 in scholarships to five high school students and \$23,050 in sponsorships to local organization such as the United Way, Middlesex County Coalition on Housing and Homelessness, Kiwanis Club, Appetite for Life, Financial Reality Fairs, and Cromwell Farmers Market.

Employees from SFCU donated \$3,256 through Jean Day Friday's to support such worthy organizations as Amazing Grace Food Pantry, CT Multiple Sclerosis Society, CT Cycling Advancement Program, Middletown Community Thanksgiving Project & Greater Meriden, and Adopt A Family for Christmas.

Our members gave back \$750 through our partnership with the Connecticut Credit Union Charitable Foundation, Inc. Annual Raffle, where proceeds benefit local charities in Connecticut.

2016 resulted in our third year partnership with the Durham Fair and we couldn't have been happier with the outcome of the fair. The Durham Fair is the largest agricultural event that takes place in Middlesex County and draws over 250,000 people to Durham. Seasons offered various types of administrative and volunteer support to the Durham Fair. Forty-Two Seasons FCU employees volunteered their time at the 2016 Durham Fair! We are excited to continue our partnership with the Durham Fair this year and planning is well underway.

Investment in Our Employees:

We truly believe the better educated our employees are means they are better equipped to serve our members. Seasons FCU has seven employees, 12% of our team, enrolled in Management School offered by the Credit Union League of Connecticut. This two-year, intensive program allows participants to learn from industry experts, network with peers and broaden their knowledge about all things financial services. The inaugural class, containing four Seasons FCU team members, graduated in May of 2017. We are excited to offer our employees this unique educational experience and look forward to having more of our team participate.

Thank you Richard Larke:

We would like to take the opportunity to thank Richard Larke for his time, talent, and expertise he has given to the Board of Directors of Seasons Federal Credit Union. Dick: You have made a difference through your dedication and continued support of the Credit Union. Your ideas, input, and enthusiasm were most helpful and have assisted us in making valid improvements in our organization. It is our great pleasure on behalf of Seasons Federal Credit Union and the Board of Directors to thank you for your dedication and the great job you have accomplished in your decades of service and wish you the very best in your future endeavors.

Our success is your success. Thank you for your continued trust and confidence in Seasons Federal Credit Union!

Sincerely,

Keith Wiemert

President/CEO

William Howard

Board Chairperson

2016 Annual Meeting Minutes

Annual Meeting of Seasons Federal Credit Union Held at Middletown Branch, Middletown, CT on June 22, 2016 at 3:37 PM

Present:

Board Members: Nick Cook, Christopher Carbo, Jim Misenti, Scott Coleman, Dick Larke and William Howard

Supervisory Committee: Stan Stachura, Kevin Nolan, Jon Rhinesmith and Edith Dubey

Management Staff: Robyn Swanson, Bill Weingartner, Jeff Rindfleisch, Keith Wiemert, Janet Porriello and Betsy Sommers.

Opening: William Howard, Board Chairman, opened the annual meeting at 3:37 PM. Janet Porriello was appointed Recording Secretary.

William Howard welcomed everyone to the 81st Annual Meeting of the Credit Union. A quorum was present with 39 members in attendance.

William introduced the board members and the 2015 annual meeting minutes were approved.

Supervisory Report: William Howard told the members that the Supervisory Committee Report was provided in the Annual Report.

Report of the Nominating Committee: Janet Porriello read the report of the Nominating Committee. The Nominating Committee put forth the following slate for nomination:

Scott Coleman

Nicholas Cook

Edward Murphy

There were no petitions from the membership to be added to the nomination list. Scott Coleman, Nick Cook and Ed Murphy were re-elected for three year terms.

Chairman's Report: William told the membership that there was a written report included in the Annual Report.

A motion to accept annual report was made by Richard Larke. The motion was seconded by Stan Stachura. Motion carried.

New Business:

a. Branch Transformation:

William Howard spoke about how Seasons' business model would be supported by more use of technology and introduced, Keith Wiemert. Keith took the podium and spoke of the pressures on credit unions, citing regulatory burden and competition. Keith also cited the reduction in lobby traffic over prior periods and announced that Seasons' would start using Interactive Teller Machines to handle routine lobby transactions.

William Howard asked if there was any additional new business. With no business, he requested a motion to adjourn.

Motion to adjourn the business meeting was made by Richard Larke at 3:48 PM. Robyn Swanson seconded the motion. Motion carried.

William Howard thanked everyone for attending.

Janet Hilliard Porriello

Rec. Secretary

Treasurer's Report

Although the financial strains of an ever-increasing regulatory burden, an improving but still very low interest rate environment, and delinquency spurred by a recovering economy continue to present significant challenges to the bottom line of Seasons, our credit union still ended 2016 with a positive ROA of 0.215% and net income of \$344,473. We also continued to meet the financial needs of our members by providing loans for homes, autos, and other purposes, as well as a wide and array of deposit products and services. Total assets grew by \$2,969,400 or 1.871% to \$161,698,751 for the year ended 2016. Deposit balances dropped slightly as year-end growth was -\$315,667 or -0.223%, resulting in a year-end deposit balance of \$141,835,110. Loan growth, however, was strong with growth of \$8,914,563 or 6.739% though 2016 with a year ending balance of \$132,276,206.

Seasons Federal Credit Union's regulatory capital ratio, an indicator of financial strength, was 7.37% as of December 31, 2016. The regulatory capital ratio is well above the 6.00% ratio established for adequately capitalized credit unions set by the National Credit Union Administration (NCUA).

Please take a moment to review this year's audited financial statements by the certified public accounting firm of Orth, Chakler, Murnane and Company. The audited financial statements are as of September 30, 2016. 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 2017, we at Seasons will continue to provide even more value to our membership and are committed to our mission of "Changing Members' Lives for the Better." We thank you for your continued support of the credit union.

Respectfully submitted,

Kyle Dahn

VP of Finance/Treasurer

From your SFCU Supervisory Committee

The Board of Directors appoints a Supervisory Committee, which oversees the annual financial audit. As an independent body, the committee is charged with ensuring the financial soundness and stability of your credit union. To accomplish this the firm Doeren Mayhew conducted the annual audit. We are pleased to report that we have received a favorable opinion from Doeren Mayhew.

The Supervisory Committee would like to thank our employees and the Management Team for all the hard work and time they put into this audit. We are very satisfied with the working relationship between Doeren Mayhew and the Supervisory Committee, the Board of Directors and the Management Team of Seasons Federal Credit Union. The Supervisory Committee continually audits the various departments throughout the credit union and is pleased with the professionalism and performance of each department.

The Supervisory Committee will continue to oversee the financial stability of your credit union.

Respectfully,

Stanley Stachura, Jr.

Supervisory Committee Chairperson

2016 Lending Report

2016 was a successful lending year for the credit union. The net loan growth was 7.19%. In 2016, Seasons Federal Credit Union originated 3123 loans, lines of credit and credit cards, totaling \$43,711,031. In addition, the Mortgage Department originated 60 mortgages totaling \$11,807,946. These mortgages were subsequently sold to the secondary market. Last year's loan production totals, details by product type and amount of credit extended, were as follows:

Loan Type	# of Loans	\$ of Credit Extended
New Auto	16	\$ 494,920.00
Used Auto and RV	351	\$ 5,043,541.00
Indirect - New Auto	305	\$ 9,224,952.00
Indirect - Used Auto	1051	\$ 18,567,968.00
Closed End Second Mortgages	19	\$ 663,321.00
HELOC's (New Account Activity)	39	\$ 1,999,240.00
Signature Loans	915	\$ 4,178,123.00
Credit Cards (New Account Activity)	344	\$ 285,539.00
Home Improvement Loans	16	\$ 202,178.00
SFCU - Student Loans	18	\$ 195,531.00
Share Secured Loans	24	\$ 202,152.00
Portfolio First Mortgages	25	\$ 2,653,566.00
Subtotal	3123	\$ 43,711,031.00
Sold First Mortgages	60	\$ 11,807,946.00
Total	3183	\$ 55,518,977.00

The loan portfolio balance at the end of 2016 was \$132,276,203. This represented an increase of \$8,914,563 over 2015 totals. The yield on the credit union's loan portfolio at the end of 2016 was 5.39%.

Submitted by:

Jeff Rindfleisch

Chief Lending Officer

2017 Scholarship Award Winners

Ryan M.	The Director's Scholarship	Xavier High School
Dylan M.	The Dragon's Vault Scholarship	Middletown High School
Nikolina D.	The Jean Crook Memorial Scholarship	Southington High School

Meet Our SFCU Team

BOARD OF DIRECTORS

William Howard
Chair

Chris Carbo
Vice Chair

Nick Cook
Secretary

Scott Coleman
Director

Jim Misenti
Director

Edward Murphy
Director

SUPERVISORY COMMITTEE

Stanley Stachura, Jr.
Chair

Kevin Nolan
Vice Chair

Edith Dubey
Secretary

Jon Rhinesmith
Member

BRANCH LOCATIONS

Middletown Branch
Lobby
524 S Main Street
Middletown, CT 06457

Meriden Branch
Lobby & Drive Up
1371 E Main Street
Meriden, CT 06450

Middletown Operations Center
Drive Up
635D S Main Street
Middletown, CT 06457



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