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# 2022 ANNUAL REPORT


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**Improving people's lives  
with creative solutions**

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 **SCIENT**  
Federal Credit Union®

# Services

## SAVINGS & CHECKING PROGRAMS

- Share Savings Accounts
- Free Checking with eStatements
- Interest Checking Account
- MySci Savings and Checking Accounts
- Regular and Premium Money Market Accounts
- Share Certificates
- Change Maker Savings Account
- Club Accounts
- Individual Retirement Accounts (IRAs)
- Coverdell Education Savings Accounts

## CONSUMER LOANS

- Auto Loans
- Signature Personal Loans
- Personal Lines of Credit
- Consumer Visa® Card\*
- Business Visa® Card\*
- Deposit Secured Loans
- Education Loans
- Executive Reserve Lines of Credit

## MORTGAGE & EQUITY LOANS

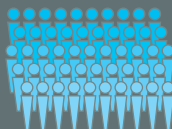
- Fixed-Rate Mortgages
- Adjustable-Rate Mortgages
- SMARTChoice Mortgages
- No-Closing-Cost Mortgages
- Fixed-Rate Home Equity Loans
- Home Equity Lines of Credit

## ACCESS YOUR ACCOUNTS ANYWHERE, ANYTIME

- Mobile App with Mobile Deposit
- Online Banking
- Free Unlimited Online Bill Payment
- Free Email Alerts on Transactions
- Free SMS Text Alerts
- Free ATM Transactions at over 30,000 CO-OP® Network ATMs Nationwide
- Free Account Transactions at over 5,000 CO-OP® Shared Branches Nationwide
- Payment Access via Apple Pay®, Samsung Pay™, Android Pay™

\*Through Elan Financial Services

**2022**  
by the numbers



**20,466**  
Total Members



**\$101,026,099**  
Auto Loans Made



**\$35,289,973**  
Mortgage Loans Made



**\$4,908,371**  
Consumer Loans Made

## Letter from the Board Chair & President/CEO

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Thank you for this opportunity to serve and to address you on behalf of the Scient staff, the Leadership team, and the Board of Directors. I'd like first and foremost to recognize and appreciate the efforts of the entire Scient staff and their families for their dedication and diligence throughout another challenging, yet hugely successful year. On behalf of the Board of Directors, I'd like to thank and recognize the Scient Leadership Team for their expertise, energy, and dedication in managing and mentoring the staff throughout the year. We truly are fortunate to have an All-Star cast of players! As well, thank you members of our Scient family for your support and trust.

I'd like to acknowledge our new members through the merger with New London Municipal Employees Credit Union. Not only did our Leadership Team guide us smoothly through a very successful merger, but they also led us through the addition to our footprint with the opening of the beautiful new branch location at 243 Bank Street. If you haven't had the opportunity to stop by, please come and visit soon.

On the financial front, we are pleased to report that 2022 was a record-breaking year for Scient, with loan originations of \$141.2 million, deposit balances of \$295.4 million, and net income of \$2.51 million. Our total assets climbed 17.8% to \$342.4 million. Most financial metrics met or exceeded the budget for 2022, in part due to strong loan originations and collection efforts. Scient's provision for loan loss expense of \$428 thousand was \$202 thousand, or 32%, better than budget! Overall loan originations of \$141.2 million, including \$96.5 million from indirect auto lending, established new all-time highs.

With sustained profitability over the last five years, Scient is investing in innovative technology that enhances our services and puts the right platforms in the hands of our members to conduct business in-person as well as online and mobile. Our 2022 initiatives met and exceeded our plan expectations. In 2023, we are upgrading our banking systems including online bill pay, home banking, and mobile banking, to provide you with top-notch products and services. These changes will give us the capability of serving you better now and in the years to come. Scient Federal Credit Union's new Online Banking tools will offer a more modern and sophisticated look and feel, and more features to help you manage your money. Throughout the year, Scient has also increased its engagement and outreach in the local community through financial education programs, event sponsorships, and food drives. We will continue to look for additional opportunities to be strong community partners in creative and impactful ways.

Finally, we thank you for your membership and look forward to improving people's lives with creative solutions. Wherever you are, we are with you to help meet your financial needs.

Karen Walters  
*Board Chair*

Chris Maynard  
*President & CEO*

# Treasurer's Report

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Scient had a very successful year in 2022. The credit union continued to operate profitably and added substantially to its capital reserves during the year. Scient earned \$2.51 million (of which \$1.1 million was received from the Corporate System Resolution Program established by the NCUA Board during the 2008 financial crisis). Scient produced a Return on Assets (ROA) of 79 basis points. Net Worth as measured by our regulators, aggregated \$30.5 million at year-end 2022 and Scient continues to be classified under current regulations as 'well-capitalized'. Assets at year-end were \$342.4 million, \$51.8 million, or 17.8% increase over the prior year.

## **Scient's success shows in its results:**

- \$141.2 million in loans to members were granted in 2022 (a new record) and \$298.0 million in loans were outstanding as of year-end. Scient's Interest Income on loans for the year was \$9.3 million, a \$900 thousand, or 10.3% increase, from the prior year.
- \$295.4 million was on deposit at the credit union as of year-end, a 13.6% increase from the prior year. Over \$1.2 million in interest was paid on deposits held at Scient in 2022.

Operating expenses increased year-over-year by \$700 thousand, driven by inflation and core processor conversion-related costs. The provision provided for loan losses of \$428 thousand was below budget by \$202 thousand! In addition, Scient now services \$22.4 million of member real estate loans and \$27.5 million of auto loans that it has participated in other credit unions.

Scient continues to work closely with its members experiencing financial difficulties. Scient's loan restructuring program at year-end extended to 30 members, with 6 approved for the program in 2022. The collections department, working with members, recovered \$178 thousand in previously charged-off loans in 2022.

Scient's liquidity, or cash position, remains well managed. Scient tapped into its borrowing lines to fund record loan growth in 2022. Borrowings outstanding at year-end were \$18 million. Scient had \$35.0 million in unused lines of credit for liquidity at year-end.

As Treasurer and a Scient Board member for many years, I would like to personally thank each and every member for making Scient Federal Credit Union what it is today. We truly value you, our members/owners, and appreciate our continued relationship as your credit union.

Sincerely,

Adam Smogowicz  
*Treasurer*

## Statements of Financial Condition

ASSETS		
	2022*	2021*
Cash & Cash Equivalents	\$4,199,327	\$8,662,922
Interest Bearing Deposits	\$301,311	\$1,992,000
INVESTMENTS		
Available for Sale	\$25,743,476	\$23,418,977
Held to Maturity	\$188,219	\$200,225
Loans to Members		
Net Allowance for Loan Losses	\$296,637,211	\$246,372,945
Accrued Interest Receivable	\$892,270	\$698,904
Prepaid & Other Assets	\$9,121,610	\$4,106,380
Property & Equipment	\$2,726,527	\$2,764,497
NCUSIF Deposit	\$2,578,924	\$2,415,615
<b>TOTAL ASSETS</b>	<b>\$342,388,875</b>	<b>\$290,632,465</b>
LIABILITIES & MEMBER EQUITY		
	2022*	2021*
LIABILITIES		
Members' Share & Savings Accounts	\$295,409,567	\$260,032,411
Borrowed Funds	\$18,000,000	–
Accounts Payable & Accrued Liabilities	\$3,134,809	\$3,411,081
<b>Total Liabilities</b>	<b>\$316,544,376</b>	<b>\$263,443,493</b>
MEMBER EQUITY		
Regular Reserve	–	\$1,582,525
Undivided Earnings	\$30,522,647	\$25,946,700
(Accumulated Other Comprehensive Loss)	(\$4,678,148)	(\$340,253)
<b>Total Member Equity</b>	<b>\$25,844,499</b>	<b>\$27,188,972</b>
<b>TOTAL LIABILITIES &amp; MEMBER EQUITY</b>	<b>\$342,388,875</b>	<b>\$290,632,465</b>

\*Unaudited–Audited financial statements as of 6/30/22 & 6/30/21 are available upon request.

## Statements of Income

	2022*	2021*
INTEREST INCOME		
Loans to Members	\$9,306,690	\$8,441,372
Investments	\$663,821	\$442,190
<b>Total Interest Income</b>	<b>\$9,970,511</b>	<b>\$8,883,562</b>
INTEREST EXPENSE		
Members' Shares & Savings	\$1,211,404	\$629,006
Borrowed Funds	\$349,524	\$152
<b>Total Interest Expense</b>	<b>\$1,560,928</b>	<b>\$629,157</b>
<b>Net Interest Income</b>	<b>\$8,409,583</b>	<b>\$8,254,405</b>
Provision for Loan Losses	\$428,487	\$204,050
<b>NET INTEREST INCOME After Provision for Loan Losses</b>	<b>\$7,981,096</b>	<b>\$8,050,355</b>
NON-INTEREST INCOME		
Miscellaneous Operating Income	\$919,253	\$907,581
Fees & Service Charges	\$871,213	\$867,718
Gain on Sale of Loans, Net	\$8,093	\$54,963
<b>Total Non-Interest Income</b>	<b>\$1,798,559</b>	<b>\$1,830,262</b>
	<b>\$9,779,655</b>	<b>\$9,880,617</b>
NON-INTEREST EXPENSE		
Compensation & Employee Benefits	\$4,270,681	\$4,029,188
Office Operating & Occupancy	\$2,093,762	\$1,956,057
Loan Service Expense	\$873,462	\$839,981
Other Operating	\$1,018,845	\$708,638
Other	(\$989,064)	(\$112,708)
<b>Total Non-Interest Expense</b>	<b>\$7,267,686</b>	<b>\$7,421,156</b>
<b>NET INCOME (LOSS)</b>	<b>\$2,511,969</b>	<b>\$2,459,460</b>



## Board of Directors

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Karen Walters  
*Board Chair*



Grace Vandal  
*Vice Chair*



Adam Smogowicz  
*Treasurer*



Brian Oat  
*Secretary*



Glenn Wilcox  
*Director*



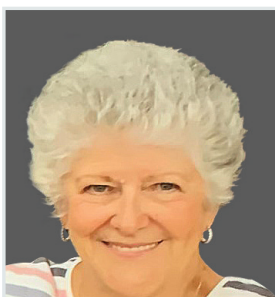
Jeff Mastracchio  
*Director*



Travis Williams  
*Director*



Steve Caldwell  
*Associate Director*



Barbara Paul  
*Associate Director*

## Supervisory Committee

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Alex Bancroft  
Mark Topliff  
Grace Vandal  
Donna Zyry

## Officers & Directors

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Chris Maynard, President and CEO  
John Belanger, Vice President of IT  
Irv Hagewood, Vice President of Collections  
Janice Mapel, Vice President of Human Resources  
Shalin Peck, Vice President of Operations  
Matthew Sosnowski, Vice President of Member Services and Marketing  
Tina Waterman, Vice President of Lending

# Supervisory Committee Report

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The primary responsibility of the Supervisory Committee is to serve as a means of checks and balances at the Credit Union. We are comprised of a group of dedicated volunteers appointed by the Board of Directors. It is our responsibility to ensure that Scient Federal Credit Union establishes and maintains appropriate policies, procedures, and internal controls that safeguard members' assets and privacy and fulfill the credit union's financial and regulatory responsibilities.

There were numerous internal audits that were performed this past year conducted by CPA firm, Doeren Mayhew, on the Credit Union's Policies, Procedures, and Regulatory requirements. The frequency of these audits is based upon a Risk Assessment that is reviewed at least annually and updated as needed throughout the year to maintain a high level of compliance. These audits help us to identify any potential concerns or issues and have them addressed before they become a bigger problem.

Based on our activities and the results of our recent exam, the Supervisory Committee believes that the Credit Union is performing appropriately to sustain a safe and secure future; and that it is well-managed with a strong commitment to serving its membership of 20,466. As your representatives, the Supervisory Committee will continue to perform oversight activities so that we are confident members' financial interests and privacy is well protected as we move forward in the new year.

I wish to thank my fellow committee members and the Doeren Mayhew team for their hard work and outstanding support during this past year. I also want to thank past Supervisory Committee Chairperson, John Podurgiel, for his service to the Credit Union over the past 18 years. John has retired from his position, and we are grateful for his numerous years of leadership and volunteerism.

On behalf of the entire Committee, we appreciate the opportunity to serve you, and the members, and look forward to a secure and successful 2023. We want to ensure that our members are happy with our products, services, and staff at all times as the Credit Union continues to grow.

We urge you to contact any member of the credit union's staff, management, or board with any comments or questions that you might have. You may also report any issues anonymously to the Supervisory Committee through the "Report It" link located on the Credit Union website. You can also mail the Supervisory Committee at:

**Scient Federal Credit Union**

Attn: Supervisory Committee  
60 Colver Ave  
Groton, CT 06340

Thank you,

Alex Bancroft  
*Chair of the Supervisory Committee*



# SCIENT

Federal Credit Union®

**Corporate and  
Main Office**

60 Colver Avenue  
Groton, CT

**Pfizer Groton, CT**

445 Eastern Point Road  
Building 220  
Amenities Corridor  
Groton, CT

**New Haven, CT—Postal**

50 Brewery Street  
New Haven, CT

**New London, CT**

243 Bank Street  
New London, CT

**Improving people's lives  
with creative solutions**

[scientfcu.org](http://scientfcu.org)

