



2023 ANNUAL REPORT

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***"Responding
first to the
financial
needs of our
members"***

2023

Annual Meeting - Virtual

Thursday, April 25th, 5:30 pm



MINUTES *from the* 2023 ANNUAL MEETING

"Vendetta asked each reporting member to read aloud their report to the attendees.."

The 73rd Annual (virtual) meeting was called to order by President Nicholas Vendetta at 17:35 hours. He ascertained that a quorum was present. He then appointed CEO Emerilda Zego as Recording Secretary. The minutes of the 2022 meeting were read by Zego. George Camarco motioned to accept, Brian Thompson provided a second. All ayes. Next, President Vendetta asked each reporting member to read aloud their report to the attendees. Chairman, Treasurer, Lending, CEO, and Supervisory were all presented. President Vendetta next asked if there was any Old

Business to discuss. There was none. Under New Business - There was none. President Vendetta informed all present that three nominated members of the Board of Directors: George Camarco & Peter Towey were up for re-election for 3-year terms. President Vendetta asked Vice President Brian Kennedy to endorse all nominated candidates. Kennedy made the one vote needed to endorse the slate. As a result, the two aforementioned candidates were elected to serve three-year terms. President Vendetta then asked for a motion to adjourn.

Brian Thompson motioned and George Camarco Seconded. All Aye. Meeting adjourned at 18:01. President Vendetta immediately called to order a special meeting of the membership to discuss expulsion of those members who caused the credit union a loss during 2022. Emerilda Zego reported that there were five members that cost us money during the year. They were K. Willson, J. Stephen, R. Pereira, J. Lopez, and D. Rodriguez totaling \$14,182.35 The members present were urged to vote "Aye" and approve the expulsion of those

members. George Camarco motioned and Brian Thompson Seconded. All Aye. We are pursuing repayment on all these accounts even though they are being expelled. A motion to adjourn was made by George Camarco. Judy Faenza seconded. All ayes. There being no further business, the meeting was adjourned at 18:16 hours.

Respectfully
Submitted,

Emerilda Zego
Recording Secretary

MESSAGE *from the* CHAIR

" CTFFCU can now offer its product and services to all the firefighters in the state of CT..."

After my first full year as Chair of the board, I am proud to speak to your credit unions continued success and perseverance through multiple years of high inflation. The board worked closely with management to offer new products and services to support our members and credit union during these challenging times. In 2023 we added a new Board Member Timothy Kelliher. In September of 2023 our assistant manager Judy Faenza retired after 35 years of loyalty and dedication to our members. Our new staff members have done an amazing job getting to know our members and building strong relationships with them. Your Credit

Union has seen a significant growth in our membership since the recent expansion of the tip charter. With the credit unions membership base continuing to grow throughout the state of Connecticut, we decided to change the credit union name to better reflect those whom we serve. The Board of Directors and staff worked together to come up with name suggestions. We considered many alternatives and CT Firefighters FCU rose to the top of the list. Both the name and our logo, which contains part of the original logo reflects our history and the heart of the city we serve.

We launched a new website to provide a

sleeker and more modern design to better navigate our products and resources. We are honored that we received a 5-Star recognition from Bauer Financial for the 3rd year in a row. Our loan portfolio has grown significantly along with our membership base. The Credit Union staff continue to work diligently to increase deposits to support this growth. We are still seeing a better return on investments due the higher percentage yield being offered. Coming off an incredibly high increase of net profit from the previous year, the credit union saw an additional increase in 2023. Management

and staff kept this momentum going by controlling expenses and maximizing loan and investment profit. It is an exciting time for the Credit Union and we anticipate further growth in the coming years. We are looking forward to new growth opportunities while maintaining our core values. To accomplish this we have made the necessary changes to assure that we remain competitive in this market without losing the personalized service that you have come to know and rely on.

Respectfully,
Nicholas Vendetta
President

MESSAGE *from the* CEO

"Since the expansion of our tip Charter we have members from 29 cities and towns in CT"

As we reflect on the past year, 2023 has been a remarkable journey for CTFFCU. We have been active in continuing to enhance our products and services, streamline processes, and further invest in technological and digital platform improvements. Our footprint in CT has grown significantly since the expansion of our tip Charter. The credit union is now serving firefighters from 29 different cities and towns in CT. The Federal Reserve continued to increase its target Federal Funds rate by 0.75 basis points in 2023. Despite all challenges we faced,

your credit union was still looking forward to grow and flourish. Inflation also impacted our members in various ways and we were here to help them. In response to that, CTFFCU made sure to offer multiple promos each month to help ease the pressure. In September of 2023, Judy Faenza announced her retirement after being with the credit union for over 35 years. With Judy's departure, we had to restructure our positions. Cathy Moree was promoted to a Controller position and Cassandra Wilke was hired full time. In June of 2023, we launched our new and

innovative website, which provides an easy to navigate platform with advanced features full of information to help guide you through your banking needs. With our shares deposits dropping from the prior year we did face liquidity challenges as many other credit unions did in the industry. We increased our CD rates to bring in new deposits, to help with liquidity. The high deposit rate offered to our members increased the Credit Union's cost of funds. Our Net Capital has increased to 11.91%. Our Loan to share percentage increased to 66.83%. Our goal for 2024 is to become

the primary financial institution for our membership by providing personalized service while maintaining a strong financial position and ensuring operational soundness.

Our commitment to delivering exceptional financial products and services remains unwavering, thanks to the dedication of our talented team, our board of directors, and the enduring support from members like you.

We are looking forward to new opportunities in 2024!

Respectfully,

Emerilda Zego
Chief Executive Officer

REPORT *from the* TREASURER

" Inflation impacted everyone in 2023 as well as CTFFCU ...".

After another trying year of economic uncertainty, the Treasurer of the CTFFCU remained focused on our returns and impact to our capital. Inflation impacted everyone in 2023 as well as CTFFCU but we managed to keep our cost of operations and cost of goods down to help our bottom line. We are now at \$26 mm in Assets (\$900k under a year ago). Our Year end Net Capital was 11.91%, way over the required 7% by the NCUA, who regulates all Credit Unions. We are

utilizing an outside consultant to assist with our ALCO reporting and projects. These meetings proved to be very informative and helped show that our credit union is moving in a strong direction. With all the stress on the economy, CTFFCU ended the year with a net profit of \$152k, which is the highest we have seen in a few years. Some highlights – Assets grew 10%, Liabilities dropped 31%, total loans increased 42% (with the addition of Participations, Loan to Share ratio increased to 66%, Yield on investments

increased 28bp and Delinquency remained very low at 0.01%. Each year, we hire the services of Whittlesey and Hadley to perform our internal audit and BSA/ACH audit. I am happy to report that CTFFCU came through these audits with very high remarks, no critical findings and in excellent financial standing. Your credit union remains financially strong and maintains the structure to weather the hardships that others may not be able to endure. We

were healthy enough to offer various promotions as well as invest in our ability to serve you with new products and services putting us in a better position to compete with the big banks but with better and personalized member service. In 2023 we rolled out our new website which has the latest technology features.

Please see the enclosed financials and reach out to me with any questions.

Respectfully,

George Camarco
Treasurer

REPORT *from the* SUPERVISORY COMMITTEE

" all areas of the Credit Union received Exceptional status reports..."

The Supervisory Committee is responsible for the auditing of the credit union's financial statements and performing member statement of account verifications. This has been accomplished by selecting, hiring, and facilitating an audit by independent certified public accountants. CT Firefighters Federal Credit Union hired the firm of Whittlesey, LLC to perform the audit for the year ending December 31, 2023. The Supervisory Committee then reviews reports

issued by them with accompanying follow-up procedures performed as necessary. Whittlesey, LLC was also hired to perform both BSA/AML and ACH audits assuring that we follow all regulatory requirements set forth by the NCUA. Audits of our IT security, Business Continuity, Disaster Recovery Planning, and Internal and External vulnerabilities are also tested annually. Finally, we audit the financials of our most critical vendors via our Vendor Management

program. The Supervisory Committee meets monthly to audit internal controls including Cash Management, Loan Review, ACH processes and Closed Accounts. This comprehensive internal audit schedule for the year was developed between the Supervisory Committee and Management. The schedule was designed so that the appropriate areas of the credit union are addressed based upon the overall risks to the credit union. We are happy

to announce that all areas of the Credit Union received Exceptional status reports including a Camel 2 from the NCUA. Your money is safe here at CTFFCU. Your Supervisory Committee continues to focus on ensuring that proper controls exist and are functioning at CT Firefighters Federal Credit Union.

Respectfully Submitted:
Brian Thompson
Supervisory Chairman

REPORT *from the* LENDING DEPARTMENT

" We were able to keep the momentum and book more loans than the prior year "

What a whirlwind this past 2023 season has been! Since the expansion of our Charter to include all of Connecticut's firefighters; retired, active, and volunteer, as well as their families, we have seen a huge increase in loan inquiries in our lending department. Prior to this year, we decided to focus on expanding our relationship with our members, and in 2023 we worked hard to keep the momentum going. Our lending review process has differed slightly this time around, in that we needed to take a more careful look at the financial backgrounds of our members from various cities and towns across

Connecticut. In 2023, we prided ourselves in making sure that all our members, new and otherwise, were comfortable and confident in their decision to bank with our Credit Union and utilizing our many products to be able to reach any financial goals that they have. From the loan origination standpoint, we have seen a substantial increase in our disbursements, with 8.2mm being lent out. This figure is a 157% increase from the year prior. Of the total disbursements, \$2mm was generated in Auto Loans, \$1.2mm in Unsecured loans, and \$2.5mm in Home Equities. There were 332 new loans approved, with an average of 27 loans a

month. Our high record was in August with a total of 948k booked loans. This would not have been possible without the combined efforts in our loan promotions as well as our outreach in various forms, such as making appearances in fire stations, talking to the new recruits in person about what we have to offer, and maintaining constant communication throughout their membership. As with any increase in revenue, there are potential concerns regarding the impact on our collection activity. I am pleased to say that was not the case in 2023, with a very low delinquency rate of

0.01% . Charge offs did happen in 2023, however they did not diminish our reserves. We remain steadfastly reserved as required by the NCUA and along with CECL method, which is in place to call for more contribution to protect against losses. Ultimately , loans are continuously being requested and fulfilled, along with payments to support them. Credit Risk at CT Firefighters Federal Credit Union remains in great shape , and we look forward to another productive year serving our members needs.

Respectfully,

Stela Veli

Loan & Collection Officer

REPORT *of* FINANCIALS

Financial Report as of December 31, 2023			
Assets		2023	2022
	Loan to members	13,257,965	9,300,088
	ACCUM Asset Depreciation	(459,297)	(457,896)
	Allowance for Loan Losses	(19,163)	(43,225)
	CU Check Clearing Acc	(105,895)	(112,731)
	Cash	201,356	203,474
	Investments	9,215,000	13,714,000
	Accrued Income	55,075	60,259
	Prepaid & Deferred Expense	102,460	120,043
	Land	95,672	95,672
	Building	324,778	324,778
	Furniture & Equipment	104,393	103,892
	NCUSIF Deposit	235,994	224,412
	OREO	0	0
	Other Assets	3,091,633	3,073,070
	TOTAL	26,099,971	26,605,837
Liabilities & Equity			
	Accounts Payable	41,553	45,776
	Other Liabilities		
	Taxes Payable		
	Shares	22,948,646	23,602,787
	Regular Reserve	756,594	756,594
	Undivided Earnings	2,353,178	2,200,680
	Unrealized Inv. Gain/Loss	0	0
	TOTAL	26,605,837	26,605,837
Income			
	Interest on Loans	560,539	419,001
	Income on VISA	213,542	191,000
	Income on Investments	200,904	193,550
	Fees and Charges	165,347	162,918
	Other Income	20,257	63,508
	TOTAL	1,160,588	1,029,977
Expenses			
	Compensation	255,562	297,924
	Employee Benefits	58,991	72,542
	Travel & Conference	7,010	6,000
	Association Dues	4,132	3,550
	Office Occupancy	75,321	72,512
	Office Operations	72,628	74,058
	Credit/Debit Card Processing	157,481	131,972
	Projects	3,457	3,457
	Educational & Promotional	7,253	6,112
	Loan Servicing	41,969	40,561
	Professional/Outside Services	141,725	126,917
	Federal Operating Expense	22,546	14,433
	Provision for Loan Loss	2,000	3,795
	Cash Over/Short	134	(422)
	Interest on Borrowed Money	47,289	2,108
	Annual Meeting/Picnic	3,600	2,108
	Miscellaneous	1,000	129
	TOTAL	902,099	855,647
	Non-Operating Gain/(Loss)	(4,500)	(4,577)
	Gain/Loss on Investments	61,928	1,971
	Dividend Expense	48,564	28,243
	Annual Gain/(Loss)	152,498	148,692

STAFF *and* BOARD OF DIRECTORS

Staff:

Emerilda Zeqo	CEO
Cathy Moree	Controller
Stela Veli	Loan Officer / Collections
Cassandra Wilke	Member Services

Board of Directors:

Nicholas Vendetta	Chair
Brian Kennedy	Vice President
George Camarco	Treasurer / Secretary
Helene Lynch	Director
Brian Thompson	Director
Pete Towey	Director
Timothy Kelliher	Director

Supervisory Committee:

Brian Thompson	Chair
Pete Towey	Member
Timothy Kelliher	Member

