
ANNUAL REPORT

2024



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



SCIENT
Federal Credit UnionSM

Services

SAVINGS & CHECKING PROGRAMS

- Share Savings Accounts
- Free Checking with eStatements
- Checking Plus 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

- Vehicle Loans
- Signature Personal Loan
- Personal Line of Credit
- Home Improvement Loans
- Land Loans
- Consumer Visa® Card*
- Business Visa® Card*
- Deposit Secured Loan
- Education Loans
- Executive Reserve Line of Credit

MORTGAGE & EQUITY LOANS

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

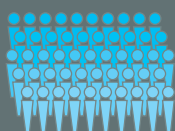
ACCESS YOUR ACCOUNTS ANYWHERE, ANYTIME

- Mobile App with Mobile Deposit
- Online Banking
- Free Unlimited Online Bill Payment
- Free Account Alerts via email or text
- 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

2024

by the numbers



18,873
Total Members



\$62,655,996
Auto Loans Made



\$18,620,497
Mortgage Loans Made



\$3,108,824
Consumer Loans Made

Letter from the Board Chair & President/CEO

Thank you for this opportunity to address you on behalf of the Scient staff, the Leadership team, and the Board of Directors. I'd first like to recognize the Scient Leadership Team in appreciation for their unwavering dedication. We truly are fortunate to have this All-Star crew leading us! I must also recognize and appreciate the efforts of the entire Scient staff for their dedication and diligence. As well, I offer a huge and heartfelt thank you to you, the members of our Scient family, for your support and trust.

We are especially proud of the continued outstanding efforts and performance of our Collections team keeping the provision for credit loss expenses remarkably low. With sustained profitability over the last nine years, Scient continues to invest in innovative technologies to enhance our services enabling members to seamlessly conduct business in-person as well as online and mobile. A few notable accomplishments in 2024 included:

- The launch of business deposit product offerings, Land loans & Home Improvement loans;
- Conducted two First-time Homebuyer Events for the community, which were very well received;
- In partnership with Cover Right, members were provided with value-added assistance when signing up for Medicare;
- The installation of a new ATM & Kiosk at the Colver Avenue branch; and
- Our leadership secured an additional liquidity source at the Federal Reserve Bank of Boston

Overall, our 2024 initiatives met and exceeded our plan expectations. Going forward, some notable initiatives for 2025 include:

- Multi-Factor Authentication for online banking which will be implemented April 1st. This will serve to reduce the risk of account takeovers and provide additional security for users and their accounts and enhance the credit union's security overall.
- The State of CT passed legislation that makes Lenders responsible for the refund of aftermarket products for members who satisfy their vehicle loans early. We will seek to achieve automation of this very complicated process and ensure that we are in compliance with all State regulations.
- We are also exploring the implementation of Health Savings Account offerings for members.

As you see, there are many exciting things on the horizon to enhance our member experiences overall.

Throughout the year, Scient remained committed to its presence in the community, increasing its engagement and outreach through financial education programs, event sponsorships, and food drives, to name a few. We will continue to look for additional opportunities to be strong community partners in meaningful ways. Our All-Star Leadership Team also provided fun and engaging events to appreciate the staff throughout the year. I am immensely proud to share that, for the second year in a row, Scient FCU has been recognized as a "Best Places to Work in Connecticut" by the Hartford Business Journal.

Finally, we thank you for your membership and look forward to improving our member'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

The credit union continued to operate profitably and added to its capital reserves during the year. Scient would have earned \$456 thousand, except for the one-time charge of \$300 thousand to settle a 2017 auto loan class action. Scient produced a modest Return on Assets (ROA) of 4 basis points. Net Worth at year end 2024 aggregates to \$31.1 million, an increase of \$200 thousand from 2023. Scient continues to be classified under current regulations as 'well-capitalized'. Assets at year-end were \$341.9 million, a decrease of \$13.8 million, or 3.9% from the prior year.

Scient's success shows in its results:

- \$84.4 million in loans to members were granted in 2024 and \$279.4 million in loans were outstanding as of year-end. Scient's Interest Income on loans for the year was \$13.4 million, a \$1.4 million, or 12% increase, from the prior year.
- \$268.9 million was on deposit at the credit union as of year-end, a 4.5% decrease from the prior year. Over \$4.7 million in interest was paid on deposits held at Scient in 2024.

Operating expenses increased year-over-year by \$84 thousand, as 2023 expenses were elevated due to a core processor conversion. The provision provided for credit losses of \$559 thousand was \$311 thousand, or 36%, better than budget. In addition, Scient services \$18.9 million of member real estate loans and \$25.0 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 25 members, with 4 approved for the program in 2024. The collections department, working with members, recovered \$176 thousand in previously charged-off loans.

Scient's liquidity, or cash position, remains well managed. Scient pledged auto loans to the Federal Reserve Bank in 2024, increasing its borrowing capacity from \$78.9 million in 2023 to \$137.2 million at year end. Unused lines of credit for liquidity at year-end were \$95.2 million compared to \$35.9 million in 2023. Outstanding borrowings from the Federal Home Loan Bank of Boston were \$42 million at year end, a decrease of \$1 million from 2023.

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		
	2024*	2023*
Cash & Cash Equivalents	\$20,631,741	\$18,679,587
Interest Bearing Deposits	\$6,355,933	\$1,952,002
INVESTMENTS		
Available for Sale	\$21,412,019	\$24,246,903
Held to Maturity	\$201,739	\$170,705
Loans to Members		
Net Allowance for Credit Losses	\$276,866,121	\$294,978,579
Accrued Interest Receivable	\$1,072,410	\$1,009,123
Prepaid & Other Assets	\$10,123,333	\$9,344,518
Property & Equipment	\$2,977,376	\$2,835,302
NCUSIF Deposit	\$2,235,247	\$2,476,402
TOTAL ASSETS	\$341,875,920	\$355,693,122

LIABILITIES & MEMBER EQUITY		
	2024*	2023*
LIABILITIES		
Members' Share & Savings Accounts	\$268,951,077	\$281,623,085
Borrowed Funds	\$42,000,000	\$43,000,000
Accounts Payable & Accrued Liabilities	\$4,004,037	\$4,163,560
Total Liabilities	\$314,955,114	\$328,786,645
MEMBER EQUITY		
Regular Reserve	-	-
Undivided Earnings	\$31,087,188	\$30,931,283
(Accumulated Other Comprehensive Loss)	(\$4,166,382)	(\$4,024,806)
Total Member Equity	\$26,920,806	\$26,906,477
TOTAL LIABILITIES & MEMBER EQUITY	\$341,875,920	\$355,693,122

Statements of Income

	2024*	2023*
INTEREST INCOME		
Loans to Members	\$13,377,450	\$12,000,620
Investments	\$1,711,377	\$1,121,171
Total Interest Income	\$15,088,827	\$13,121,792
INTEREST EXPENSE		
Members' Shares & Savings	\$4,729,049	\$4,032,073
Borrowed Funds	\$2,324,736	\$1,553,901
Total Interest Expense	\$7,053,785	\$5,585,974
Net Interest Income	\$8,035,042	\$7,535,818
Provision for Credit Losses	\$559,499	\$855,601
NET INTEREST INCOME After Provision for Credit Losses	\$7,475,543	\$6,680,218

	2024*	2023*
NON-INTEREST INCOME		
Miscellaneous Operating Income	\$875,309	\$849,252
Fees & Service Charges	\$754,372	\$995,753
Gain on Sale of Loans, Net	\$169,061	\$5,999
Total Non-Interest Income	\$1,798,741	\$1,851,004
	\$9,274,284	\$8,531,222
NON-INTEREST EXPENSE		
Compensation & Employee Benefits	\$4,863,842	\$4,567,053
Office Operating & Occupancy	\$2,215,364	\$2,013,676
Loan Service Expense	\$989,428	\$1,000,753
Other Operating	\$612,455	\$742,809
Other	\$437,291	(\$1,303,672)
Total Non-Interest Expense	\$9,118,380	\$7,020,619
NET INCOME (LOSS)	\$155,904	\$1,510,602

*Unaudited – Audited financial statements as of 6/30/24 & 6/30/23 are available upon request

Board of Directors



Karen Walters
Board Chair



Grace Vandal
Vice Chair



Adam Smogowicz
Treasurer



Brian Oat
Secretary



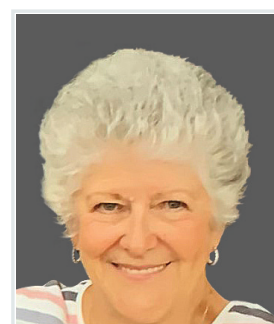
Glenn Wilcox
Director



Jeff Mastracchio
Director



Travis Williams
Director



Barbara Paul
Associate Director

Supervisory Committee

Alex Bancroft

Rosalia Gonzales

Brian Oat

Mark Topliff

Officers & Directors

Chris Maynard, President and CEO

John Belanger, Vice President of IT

Nicholas Breton, Vice President of Lending

Irv Hagewood, Vice President of Collections

Shana Heon, Vice President of Finance & Accounting

Shalin Peck, Vice President of Operations

Matthew Sosnowski, Vice President of Member Services and Marketing

Supervisory Committee Report

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.

Internal audits on the Credit Union's policies, procedures and regulatory requirements are performed throughout the year by CPA firm, Doeren Mayhew. The frequency of these audits is based upon a Risk Assessment that we review 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 most 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 18,873. 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.

I wish to thank my fellow committee members and the Doeren Mayhew team for their hard work and outstanding support during this past year. In addition, I would like to thank the Credit Union's compliance/risk manager, Courtney Burns, for her invaluable assistance to the committee.

On behalf of the entire Committee, we appreciate the opportunity to serve you and look forward to a secure and successful 2025. 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.

Thank you,

Alex Bancroft

Chair of the Supervisory Committee



SCIENT

Federal Credit UnionSM

**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

Federally Insured by
NCUA 
EQUAL HOUSING
LENDER