

REFLECTING & CONNECTING

2021 ANNUAL REPORT



PRESIDENT'S REPORT

We all hoped to emerge from the pandemic in 2020 to a “new normal” in 2021, and in some ways, that’s exactly what happened. It wasn’t the “normal” we were anticipating, however, as we faced new COVID variants, a labor shortage, supply chain challenges and a shifting economy. Together, we learned how to be nimble, flexible and patient. Throughout 2021, we spent a lot of time **reflecting and connecting**, becoming even more resilient, a strength that is already serving us well in 2022.

We implemented a lot of new ways to connect with our members and our community through the use of technology in 2020, so this year, we reflected about how we could continue to move that needle in meaningful ways. One of the new initiatives we are most proud of is our Month of Giving campaigns, in which we support local charities that are near and dear to the hearts of our members and staff. Thanks to your generous giving, we made a tremendous impact, as you’ll see in this report.

In addition, we continued to provide support to a diverse range of community nonprofits that offer vital services to those who need it most. In 2021, this included, among many others, The Gray House in Springfield, The Food Bank of Western Massachusetts, the Pioneer Valley USO at Westover Air Reserve Base, YMCAs, Boys & Girls Clubs and a new family medicine residency program designed to attract and retain young physicians to Franklin County.

Because our members have a say in how the credit union is run, we take your feedback to heart and add services and amenities that will best serve your needs. Examples range from adding Instagram to our social media efforts to better reach our younger members, to new perks like \$1,000 of no-cost TruStage® Accidental Death & Dismemberment Insurance—fully paid for by Freedom Credit Union—as well as the option to purchase additional, affordable policies for home, auto and life insurance.

Each year, we work with our members, staff and communities to adapt to the ever-changing times and our changing realities. We thank you for your continued trust and patronage, and invite you to join us in celebrating our 2021 accomplishments.



A handwritten signature in black ink, appearing to read "Glenn Welch".

GLENN S. WELCH
President and CEO

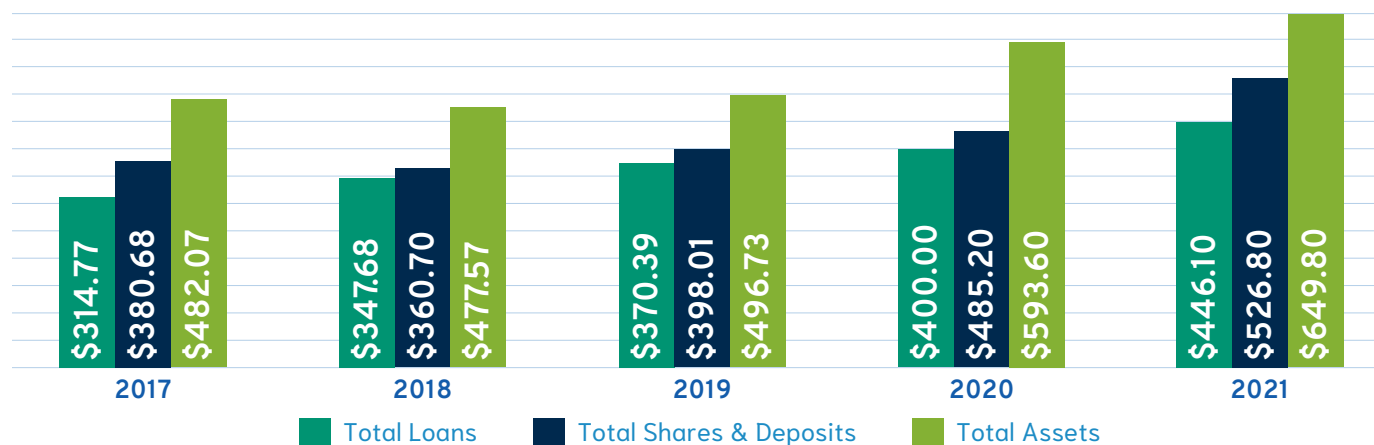
A handwritten signature in black ink, appearing to read "Louis Guillette".

LOUIS GUILLETTE
Chairman, Board of Directors



HIGHLIGHTS FROM 2021

FREEDOM'S FINANCIAL PERFORMANCE IN MILLIONS



FINANCES

- Net operating income of \$4.0 million, equating to a return on assets (ROA) of 0.63%
- Continued excellent audit results
- Investment portfolio gains on sales of \$1.1 million
- Low levels of delinquent loans and charge-offs
- Total assets increase of \$56.2 million over 2020 (9.5%)
- Deposits increase over 2020 of \$41.7 million (8.6%)

LENDING

- Loan volume up 31% in 2021
 - Personal loans up 43%
 - Auto loans up 42%
 - Home equity loans up 22%
 - Mortgage loans up 28%
 - Business loans up 50%
- Loan delinquency at 15 year low at 0.18%
- Freedom ranked #4 in Pioneer Valley mortgage market share for local institutions

OPERATIONS

- Implemented CUNA Mutual TruStage® insurance program
- Implemented contactless debit cards
- Enhanced 24/7 coverage for ATM/Debit cards; member service inquiries and online banking/mobile

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

As of December 31, 2021 and 2020

ASSETS

	2021	2020
	(In Thousands)	
Cash and cash equivalents	\$ 2,423	\$ 13,356
Interest bearing deposits	1,769	4,152
Securities available for sale, at fair value	134,849	111,408
Securities held to maturity, at amortized cost	5,164	8,395
Marketable equity securities, at fair value	8,058	5,731
Loans to members, net of allowance for loan losses of \$2,716 and \$3,091 respectively	443,457	396,917
Factoring receivable	9,308	9,052
Accrued interest and fees receivable	2,390	1,395
Property and equipment, net of accumulated depreciation	5,832	6,353
Federal Home Loan Bank of Boston Stock, at cost	1,806	1,060
Other real estate owned	465	994
NCUSIF deposit	4,870	4,275
Investment in life insurance	24,535	23,290
Prepaid expenses and other assets	<u>4,900</u>	<u>7,228</u>
Total assets	\$ <u>649,826</u>	\$ <u>593,606</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities:

Members' shares and savings accounts	\$ 526,850	\$ 485,199
Borrowings	26,314	12,059
Accounts payable and accrued expenses	<u>6,448</u>	<u>8,737</u>
Total liabilities	\$ <u>559,612</u>	\$ <u>505,995</u>

Members' Equity:

Regular reserves	\$ 8,264	\$ 8,264
Members' equity	80,186	75,880
Equity acquired through merger	2,366	2,366
Accumulated other comprehensive income/(expense)	<u>(602)</u>	<u>1,101</u>
Total members' equity	<u>90,214</u>	<u>87,611</u>
Total liabilities and members' equity	\$ <u>649,826</u>	\$ <u>593,606</u>

CONSOLIDATED STATEMENTS OF INCOME

	2021	2020
	(In Thousands)	
Interest income:		
Interest on loans	\$ 16,282	\$ 15,827
Interest on investments	<u>1,717</u>	<u>1,846</u>
Total interest income	\$ <u>17,999</u>	\$ <u>17,673</u>
Interest expense:		
Interest on deposits	1,781	2,613
Interest on borrowed funds	<u>174</u>	<u>161</u>
Total interest expense	\$ <u>1,955</u>	\$ <u>2,774</u>
Net interest income	\$ 16,044	\$ 14,899
Provision for loan losses	<u>420</u>	<u>1,075</u>
Net interest income, after provision for loan losses	<u>15,624</u>	<u>13,824</u>
Non-interest income:		
Member service fees	\$ 2,077	\$ 2,589
Net gain on debt and equity securities	1,143	253
Mortgage banking income	262	293
Increase in value of life insurance assets	1,061	367
NCUA assessment refund	401	—
Other non-interest income	<u>3,249</u>	<u>2,586</u>
Total non-interest income	\$ <u>8,193</u>	\$ <u>6,088</u>
Operating expenses:		
Compensation and benefits	\$ 9,333	\$ 9,821
Office occupancy and operations	4,024	6,425
Education and promotion	1,156	1,091
Loan service expense	1,030	581
Professional and outside services	3,574	874
Travel and conferences	88	84
Other	<u>307</u>	<u>428</u>
Total operating expenses	\$ <u>19,512</u>	\$ <u>19,304</u>
Net income, net of provision for loan losses	\$ <u>4,305</u>	\$ <u>608</u>

COMMUNITY SUPPORT

As a credit union, we are a cooperative financial institution owned by our members. We embrace a communal spirit, which is clearly reflected in the many charities, organizations and events we are able to support for the betterment of our entire Pioneer Valley community.

In 2021, we reflected on ways we could increase our community impact and instituted our Month of Giving campaigns to further bolster our philanthropic efforts and provide our staff and members with meaningful ways to connect with our community. Thank you for helping us take care of so many friends and neighbors over the past year!

FEB



\$2,117 raised for the 11th annual Blanket, Clothing and Pajama Drive to support the Massachusetts Coalition for the Homeless and its A Bed for Every Child program.

MAR



\$1,736 in donations to benefit the Foundation for TJO Animals and the Franklin County Regional Dog Shelter.

APR

GRIFFIN'S FRIENDS

\$892 raised in support of Griffin's Friends, a volunteer-led group dedicated to providing support to children with cancer.

MAY



\$1,034 raised to benefit Walk MS® 2021, which supports the work of the National MS Society.

JUN/
JUL



\$2,710 in donations to support The Food Bank of Western Massachusetts, which leads the fight against food insecurity.

AUG



\$955 raised to benefit Unify Against Bullying in support of the group's mission to bring an end to bullying through the celebration of true diversity.

SEP



\$4,191 raised to support the Alzheimer's Association both by donations and forming a team and participating in the Walk to End Alzheimer's® at Holyoke Community College.

NOV



\$7,500 in total donations raised to benefit the Pioneer Valley USO.

DEC



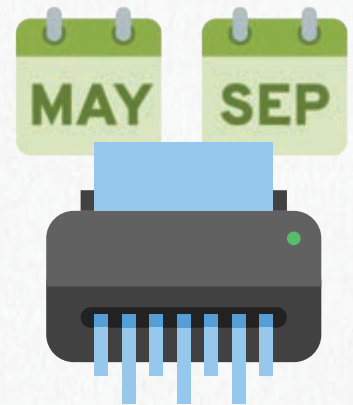
\$2,425 raised to partner with the Pioneer Valley Chapter of the Cooperative Credit Union Association in support of "A Bed for Every Child."

MORE CONNECTIONS



In May, we awarded 10 college scholarships worth \$1,250 each to local students for the 2021 fall semester.

We again offered our very popular Spring and Fall Community Shred Days in May and September, giving the opportunity for Western Massachusetts residents to securely purge unwanted paperwork free of charge.



In October, we committed five years of monetary support to a new family medicine program designed to attract and retain young physicians to Franklin County, a partnership between Baystate Franklin Medical Center and UMass Chan Medical School-Baystate.



AWARD-WINNING EMPLOYEES

2021 PRESIDENT AWARD RECIPIENT – KRISTE JOY

Although we had to forgo our Annual Holiday Dinner in 2021 due to the pandemic, President and CEO Glenn Welch bestowed the distinguished President's Award to Kriste Joy, Branch Officer, Franklin County. The President's Award honors an employee who is committed to professional excellence, takes pride in the credit union and in him or herself, is a strong team player and communicator, motivates others and represents the credit union with an overall sense of integrity.

Here is a portion of Kriste's nomination:

"She has always instilled in us that nothing is more important than our members. Anytime we have a member that is unhappy or frustrated or even just going through tough times, she is always there to help."

"No manager has ever made me feel more appreciated, and her door is truly always open to all of us."

"She knows that the success of our branch is a team effort and does everything she can to contribute to that team."



Glenn Welch with President's Award winner, Kriste Joy

2021 GEM RECIPIENTS

In 2017, Freedom Credit Union implemented the GEM (Going the Extra Mile) Recognition Program. The following employees received Certificates of GEM Acknowledgment for their out-of-the-ordinary acts of kindness, bright ideas and/or great suggestions. Congratulations to all—and let's keep identifying those GEMs among us!

Larisa Gladysz, Loan Servicing Associate,
Operations Center

Tracy Dobosz, Universal Agent,
Sixteen Acres (Cooley Street)

Cindy D'Andrea, Teller, West Springfield

Evelyn Chavez, Teller, West Springfield

Stephen Phillips, Facilities Associate,
Main Office

Erica Jekanowski, Head Teller,
Sixteen Acres (Cooley Street)



Left to right: GEM recipients, Larisa Gladysz, Cindy D'Andrea, Tracy Dobosz



GEM recipient, Evelyn Chavez



Glenn Welch and Kara Herman with GEM recipient, Stephen Phillips



Glenn Welch with GEM recipient, Erica Jekanowski

BOARD OF DIRECTORS

Louis G. Guillette, Chairman

William T. Carey, Vice Chairman

Brian D. Harrington, Treasurer

John R. Reigner, Security Officer
Past Chairman, 2009–2012

Lawrence Bouley, Director
Past Chairman, 2015–2018

Donald C. Emerson, Director
Past Chairman, 2018–2021

William Flaherty, Director
*Board of Directors, Vice President,
West Springfield Federal Credit Union, 2011–2019*

William G. O'Brien, Director
Past Chairman, 2006–2009

F. Rory Santaniello, Director

Donald R. Senecal, Director

SENIOR MANAGEMENT

Glenn S. Welch
President & Chief Executive Officer

Louis “Jay” Scungio
Senior Vice President & Chief Financial Officer

Gina Noblit Giannetti
Vice President, Human Resources

Kara B. Herman
Vice President, Retail Administration

Cheryl L. Podgorski
Vice President, Operations

Jeffrey M. Smith
Vice President & Chief Loan Officer

BRANCH OFFICERS

Main Office

Michelle Caron
Feeding Hills

Angela Gotay-Cheverez
Chicopee

Carla Banas
Ludlow

Jamie Convery
Springfield, Sixteen Acres

Debra Mainolfi
West Springfield

Rae Brown
Northampton & Easthampton

Kriste Joy
Greenfield & Turners Falls

IN MEMORIAM

It was with great heartbreak that we mourned the passing of two beloved members of our Freedom family in the first few days of 2022 in unrelated circumstances. Viktorija “Vika” Randall, one of our talented mortgage loan originators, passed away on January 1, and Melin Menas, branch officer of our Main Street Springfield branch, on January 2. We are grateful for the time we had with these amazing women, who live on in our hearts and minds.



Viktorija “Vika”
Randall



Melin Menas

BRANCH LOCATIONS

Hampden County

Chicopee
1976 Memorial Drive
(413) 532-5085

Ludlow
645 Center Street
(413) 505-5800

Springfield, Downtown
1976 Main Street
(413) 739-6961

Feeding Hills
959 Springfield Street
(413) 786-6200

Springfield, Sixteen Acres
296 Cooley Street
(413) 505-5700

West Springfield
58 Union Street
(413) 733-6108

Hampshire County

Easthampton
422B Main Street
(413) 527-7702

Northampton
226 King Street
(413) 586-3590

Franklin County

Greenfield
74 Main Street
(413) 774-4182

Turners Falls
191 Avenue A
(413) 774-9909




Member Contact Center

(413) 739-6961 (800) 821-0160

Hours

Monday, Tuesday, Wednesday	8:00 AM–5:00 PM
Thursday, Friday	8:00 AM–6:00 PM
Saturday	9:00 AM–1:00 PM

After hours support now available for all your needs.

freedom.coop   



Freedom Credit Union is federally insured by the National Credit Union Administration (NCUA). Shares and deposits in excess of NCUA limits are fully insured by the Massachusetts Credit Union Share Insurance Corporation (MSIC). Equal housing lender. NMLS #478769.



FREEDOM IS YOURS.