



Windsor Federal, MHC
Windsor Federal Savings

**Statement
Of
Condition**

March 31, 2019

Annual Report to the Members 2019

Dear Members,

I am pleased to report that 2018 was a record year for Windsor Federal Savings, having reached a milestone of \$500 million in assets and earnings of more than \$3.7 million. We remain “well capitalized” as defined by our regulator, the Office of the Comptroller of Currency (OCC). We closed this record year with a total capital ratio of 15.81% and a tier 1 leverage capital ratio of 11.61%. Our experienced commercial team continued its success by originating over \$65 million in new commercial loans, and our loan portfolio grew 9.2% for the year. These results keep us well-positioned among our peers.

Windsor Federal Savings remains committed to putting its motto, “Neighbors Helping Neighbors,” into action. We are proud to have provided financial support to over 200 various organizations and even prouder of our employees, who gave more than 4,200 hours to worthwhile causes in our local communities. We strive to fulfill the same mission within our organization and provide our employees with benefits that meet their real needs. We were one of the first companies in the state to launch a student loan repayment program to help relieve what can be a burdensome debt for our team members.

During the past year, Windsor Federal joined the world of social media to create an awareness of who we are as an organization, highlight our products and services, and engage with a broader multi-generation audience. Social media enables us to extend our reach in helping to cultivate and nurture relationships with, and serve, the organizations and people in our communities. In light of the recent bank consolidations happening all around us, Windsor Federal remains ever committed to its foundation as a mutual institution. In fact, we are one of only 483 mutual institutions in the country. As a mutual institution, we have no shareholders. We are owned mutually by you, our depositors. Because we don’t have to worry about satisfying stockholders and maximizing shareholder value, we are able to focus on our top priority - understanding the needs of our communities and serving them. Most importantly, it means that we cannot be sold. We were founded in 1936 with a mission to provide a safe method for people to save and invest money, and to finance homeownership. We continue this tradition today.

Thank you for the support and trust you put in us. We have grown from humble beginnings where we operated out of a second-floor office with 111 depositors and a net worth of \$14,446.33 and today, our foundation is as strong as ever. As we continue to grow, we invite you to grow with us and in turn, help us to grow our communities.

George W. Hermann
President & CEO

DIRECTORS

Robert A. Verrengia
Chairman of the Board

Gaye C. Rizzo
Secretary of the Board

Brian K. Baumann

Steven C. Erickson

Michael D. Rabbett

Frank W. Carmon, IV

G. Duncan Harris

Beverly A. Paganelli

Michael J. Rice

EXECUTIVE MANAGEMENT

George W. Hermann
President and Chief Executive Officer

Mary-Lynn Kinney
Senior Executive Vice President
Chief Operating Officer

Janice H. Kelley
Executive Vice President
Human Resources & Communications

Luke D. Kettles
Executive Vice President
Chief Loan Officer

Jeffrey P. Karam
Senior Vice President
Chief Information Officer

Windsor Federal, MHC and Subsidiaries
Consolidated Balance Sheets
March 31, 2019 and March 31, 2018

	<u>March 2019</u>	<u>March 2018</u>
ASSETS		
Cash and due from banks	\$ 6,418,126	\$ 7,375,196
Federal Home Loan Bank overnight deposits	200,526	200,370
Interest-bearing demand deposits with other banks	244,328	535,080
Money market mutual funds	37,424	36,711
Cash and cash equivalents	6,900,404	8,147,357
Interest-bearing time deposits with other banks	494,000	249,000
Investments in available-for-sale securities (at fair value)	94,240,074	88,180,064
Investments in held-to-maturity securities (fair values of \$208,077 as of March 31, 2019 and \$284,438 as of March 31, 2018)	207,267	281,667
Federal Home Loan Bank stock, at cost	1,530,000	949,300
Loans, net	391,357,931	358,202,846
Bank owned life insurance	14,285,641	13,926,113
Premises and equipment	4,813,638	5,100,012
Core deposit intangible and goodwill	738,616	738,616
Accrued interest receivable	1,540,655	1,335,503
Deferred income tax asset, net	843,740	1,036,774
Other assets	1,547,164	1,665,642
Total assets	\$ 518,499,130	\$ 479,812,894
LIABILITIES AND EQUITY		
Deposits:		
Noninterest-bearing	\$ 103,172,943	\$ 105,922,738
Interest-bearing	315,448,524	281,389,321
Total deposits	418,621,467	387,312,059
Customer repurchase agreements	7,133,465	34,146,920
Federal Home Loan Bank advances	29,650,000	400,000
Other liabilities	3,311,268	2,945,714
Total liabilities	458,716,200	424,804,693
Equity:		
Retained earnings	60,789,560	57,084,029
Accumulated other comprehensive loss	(1,006,630)	(2,075,828)
Total equity	59,782,930	55,008,201
Total liabilities and equity	\$ 518,499,130	\$ 479,812,894

Follow Us on Social Media

