



2021

Annual Report

 **SAWYER
SAVINGS**
Experience Worth Banking On
Since 1871

CEO's Message

Although 2021 was better than the previous year in many ways, it still presented challenges. In the beginning of the year, we kept in-person transactions to a minimum for the safety of our staff and our customers. Slowly, we opened our branches while keeping safety a top priority. We strove to return to the level of banking that you have known for so many years from Sawyer Savings. Despite all the changes that were instituted and hurdles to clear, the staff at Sawyer Savings Bank never let us down. We successfully processed round two PPP loans for many of our customers, providing them critical funding to survive this pandemic. I am truly proud of the way our team always found ways to persevere and overcome the challenges 2021 presented.

We found ways to honor our accomplishments in 2021, and were especially proud to celebrate being a part of the Hudson Valley community for 150 years. To commemorate this milestone, we donated \$150,000 to local nonprofits and philanthropic programs in appreciation for their hard work and dedication. Without the support of the community, Sawyer Savings would not be here today. We were honored to donate to organizations like Sparrows Nest, Boys and Girls Club, local first responders, historic preservation societies, animal rescues, and more. Additionally, to celebrate our anniversary, a family friendly Community Day was held at Cantine Field in Saugerties in September. We enjoyed interacting with our customers in a relaxed environment, seeing so many smiling faces, hearing children's laughter as they enjoyed the event activities, and sharing the bank's history with members of the community.

2021 was also a year of growth for Sawyer Savings Bank. In August 2021, Sawyer Savings expanded into the dynamic community of Woodland Pond in New Paltz as our fourth branch. Expanding our geographic footprint adds convenience for our current customers and helps us reach out to new customers. Sawyer Savings Bank also had a very successful year financially. While total assets grew almost 10% to \$268M, net income grew over 60% to \$1.3M creating a capital ratio of 10.3%. This places Sawyer Savings in an extremely strong position to continue growing in the coming years. I am grateful to our customers and staff for making that possible.

Although we have expanded and plan to strategically expand in the future, we are committed to maintain a positive customer experience with our financial offerings and within our branches. We remain committed along with the Board of Trustees to helping our community. With the success of our community giving in 2021, we are pleased to announce that Sawyer Savings Bank will be launching its own Charitable Foundation in 2022. We are in the beginning stages of this amazing initiative, and I look forward to providing more information as we finalize this exciting program.

Finally, we have our vision set on the future with new technologies to incorporate into our financial offerings. In 2022, Sawyer Savings will introduce a new HELOC product designed to help homeowners in the Hudson Valley make home improvements that take advantage of alternative energy sources or reduce energy usage in their homes. Additionally, to embrace electric vehicle technology, we are investigating electric vehicle charging stations at the Saugerties and Highland locations.

For 150 years Sawyer Savings has been a true hometown bank, starting as one of the first businesses in the village of Saugerties, NY. We have grown to four banking locations and offer both a personal and business mobile app so you can bank from virtually anywhere! This is our commitment; to keep advancing our technologies to harness a more convenient and easy way for you to bank, to continue to give back to the communities that support us, and to bring you experience worth banking on since 1871.



Respectfully submitted,

Douglas P. Sturges

Douglas P. Sturges
Chief Executive Officer

President's Message

Since opening its doors 150 years ago, Sawyer Savings Bank has helped its customers through several challenging times throughout America's history. 2021 was no different. We humbly worked with clients who had lost their primary source of income by providing loan deferrals until their finances were in better order. We helped small businesses apply and receive loans through the Paycheck Protection Program (PPP). With PPP loans small businesses were able to continue operating while keeping their employees on payroll. We then worked diligently with those customers to get their PPP Loans forgiven and, as of right now, 100% of those companies that applied with us and had repayment scheduled to start in 2021, have received full forgiveness.

In 2021, we evolved how we operated as a community bank and communicate with our customers. We adapted to a constantly changing environment and as a result we overhauled our processes and implemented new technologies to better serve our customers. We have:

- *Streamlined our transaction processes. We have reduced the number of steps required to complete a transaction and decreased processing times to save time for both our customers and staff.*
- *Implemented a new line of communication within our accounts that allows us to see what products and services a customer might not be taking full advantage of, giving us the opportunity to help customers become more aware of the full breadth of financial services we offer. This also allows us to anticipate the needs of customers as their lives change from buying their first home to opening their own business and eventually retiring. This new system is to better serve our customers and improve their banking experience.*
- *Utilized technology like DocuSign to expedite the loan closing process.*
- *Improved customers' mobile experience. Just as the internet has become a major part of our lives, so have mobile devices. Customers expect and need to conduct their banking through mobile devices 24/7. We focused on making both our personal and business customers' accounts more accessible and to be able to conduct transactions through their phones and tablets.*
- *Online Mortgage Center – Offering our customers the ability to obtain a pre-qualification letter 24/7 to be able to work with their Realtor to find a new home or even apply for a mortgage via a guided application all on-line.*
- *Conducted energy audits of our buildings. We strive to make our branches more environmentally friendly to reduce our carbon footprint and improve the lives of our surrounding community for generations to come.*
- *Developed a line of green initiative products to assist customers with environmentally-friendly products and projects. This could include loans to purchase solar panels, heat pumps, and energy efficient appliances, equipment, and/or windows.*

I would like to thank the team at Sawyer Savings Bank for remaining resilient as we created new systems and adopted new processes and technologies. I would also like to thank Annette Murphy and Jim Alberts for their service and dedication to Sawyer Savings Bank. I wish them well in their retirement.

We have implemented all of these new advancements and procedures in order to better serve you. We look forward to what the future will bring and how we will adapt to meet those challenges. It's continuing the commitment we made to you, our customers, and our employees for over 150 years.

Respectfully submitted,

James P. Whitaker

James P. Whitaker
President



Sawyer Savings Bank Celebrates 150 Years!

For 150 years, Sawyer Savings Bank has been providing community banking services to help our customers and small businesses accomplish their goals.

Sawyer Savings Bank was founded as Saugerties Savings Bank in February, 1871 when 21 representative citizens of Saugerties petitioned New York State for a charter as the Board of Trustees of the Saugerties Savings Bank. They held their first board meeting in Peter Cantine's law office on April 22, 1871 and met again a month later to elect John Kiersted the first president, William F Russell, Vice President, and George Seamon, Treasurer. Shortly after, a woman named Laversay Joy became the Bank's first depositor, transmitting \$50 through her employer Peter Cantine.

The bank's first location was an office in the local business of Laflin & Rand Powder Co. In September, 1871, the bank moved to the Russell Block on Main Street. In 1884, the bank relocated again to its own building on Main Street next to the former Town building. The Bank operated from this location until 1959 when it moved to its present location on Market Street. The name changed to Sawyer Savings Bank in 1973 allowing the bank to expand beyond its roots to the current structure of 4 branch locations with Saugerties, Marlboro, Highland, and its newest branch in New Paltz to better serve our community.

On the anniversary of the first board meeting in 1871, April 22, 2021, a special ribbon cutting was held to commemorate the 150th anniversary with many local officials and staff. Then on September 5th, 2021 the bank celebrated with a community day held at Cantine Field in Saugerties! There was mini-golf, inflatable bouncers, music, entertainment and lunch for the entire community.

As we proudly celebrated 150 years in 2021 we assure you that whatever the next 150 years bring, we are here for you.



*1884 Main Street Location
Left: Original Binding of first Ledger*



Ribbon Cutting Celebrating the 150th Anniversary



Russell Block Building



COMMUNITY DAY, SUNDAY, SEPT. 5TH, WAS A SUCCESS!



In the Community

Neighbors Helping Neighbors in 2021.



DONATED
\$150,000
to support
our communities.



New Products and Services to better serve you:

Green Home Equity

Looking to improve your home, be Eco-conscious, and save money overall? SSB introduces a Home Equity Line of Credit that can be used for select energy efficient and environmentally friendly appliances and products in order to improve the property, and the planet! Use it for items like Solar panels, a washing machine or dishwasher that uses less water and energy, smart thermostats, or even new windows! Unlock your home's equity and make environmental improvements with our Eco-LOC, today!

New ADA Compliant Website

In 2021 we launched a new website that is compliant with the Americans with Disabilities Act of 1990. This means that a website is accessible to those who are visually impaired or use assistive technologies such as a screen-reader to access a website. The website is also developed to allow for a full and comprehensive experience for users with disabilities. Thirty years ago the internet was in its infancy, but now it is a part of our everyday lives, and we wanted to make sure our website was accessible to all now and into the future.

Coming Soon! Online Account Opening

Fast, Convenient and Secure. Sawyer Savings Bank plans to offer customers the ability to open deposit accounts online, all from the comfort of your home. Opening your account online is safe, secure and convenient.

Staff Promotions and Retirements

Sawyer Savings Bank announced several promotions effective January 1, 2022.

Well Earned Staff Retirements



Jenn Gutheil-Denier has been promoted to Vice President and Chief Experience Officer.

Annette Murphy has retired after 14 years working with us as our Residential Lending Underwriter.



Lisa Liabach has been promoted to Vice President - Enterprise Risk Officer.

Jim Alberts has retired from our organization as a Collector after 26 years.



David Stokrocki has been promoted to the position of Vice-President, Commercial Loan Officer.

We thank both Jim and Annette for their dedication to Sawyer Savings and their commitment to our customers. We wish them well in retirement.



Patti Riozzi has been promoted to the position of Vice-President, Residential Loan Officer

Officers (As of January 1, 2022)



Douglas P. Sturges
Chief Executive Officer



James P. Whitaker
President



Brian C. Fay
Sr Vice President & CFO



Jenn Gutheil-Denier
Vice President & CXO



Melissa Conway
Vice President & CAO



Jordan DePuy
Vice President - Lending



Lisa Laibach
*Vice President –
Enterprise Risk Officer*



Liza Lanzarone-Mackey
*AVP – Southern
Territory Manager*



Christen R. Padilla
*AVP – Residential
Lending & Loan Servicing*



Amy Ferraro
Branch Manager – Saugerties



Lisa Uvino
Compliance & CRA Officer

Sales



David Stokrocki
Vice President – Commercial Loan Officer



Patti Riozzi
Vice President – Residential Loan Officer

Board of Trustees



From left to right: David W. Messina, A. Michael Foglia, Peter S. Gage, Cynthia L. Saporito, Gabriel F. Sottile, Patricia P. Brooks, Robert J. Allen, Jack M. Wilsey, and Matthew H. VanDerbeck.

Gabriel F. Sottile
*Chairman of the Board,
Elected in 1999*

David W. Messina
Elected in 1999

Jack M. Wilsey
Elected in 1999

Robert J. Allen
Elected in 2010

Patricia P. Brooks
Elected in 2013

A. Michael Foglia
Elected in 2014

Peter S. Gage
Elected in 2017

Matthew H. VanDerbeck
Elected in 2017

Cynthia L. Saporito
Elected in 2019

A Special Thank You...

We want to acknowledge and thank our Board of Trustees for their direction and commitment over the recent challenging years. Sawyer Savings Bank was founded in 1871 by twenty-one citizens with the vision to create a sound financial institution for their community. We are proud that our current Board of Trustees still carries that same dedication to ensure the success of our bank, now and into the future.

Douglas P. Sturges

Statement of Condition

AS OF DECEMBER 31, 2021

ASSETS

| | | |
|---|-------------------|----------------------|
| Cash and Due from Banks | | \$1,724,770 |
| Interest Bearing Balances in other institutions | | 4,659,182 |
| Investment Securities (FMV): | | |
| Government Agency - MBS | \$12,843,204 | |
| Government Agency - CMO | 3,933,616 | |
| Municipals | 20,004,611 | |
| Other Securities | <u>17,935,688</u> | |
| Total Securities | | 54,717,119 |
| Loans: | | |
| Residential Mortgages | 96,610,665 | |
| Commercial Real Estate | <u>85,807,427</u> | |
| Total Real Estate Secured Loans | | 182,418,092 |
| Home Equity Loans | 3,997,439 | |
| Other Consumer Loans | <u>312,663</u> | |
| Total Consumer Loans | | 4,310,102 |
| Commercial Loans | | <u>11,768,113</u> |
| Total Loans | | 198,496,307 |
| Reserve for Loan Loss | | <u>(1,998,360)</u> |
| Net Loans | | 196,497,947 |
| Other Assets | | 10,459,828 |
| Total Assets | | \$268,058,846 |

LIABILITIES AND EQUITY

| | | |
|-------------------------------------|------------------|----------------------|
| Passbook / Statement Savings | \$43,677,434 | |
| Interest Checking (NOW's) | 42,828,786 | |
| Money Market Plus Accounts | 16,616,620 | |
| Certificates of Deposit | 83,959,076 | |
| Escrow & Club Accounts | <u>3,518,134</u> | |
| Total Savings and Time Deposits | | 190,600,050 |
| Demand Deposits | | <u>38,161,483</u> |
| Total Deposits | | 228,761,533 |
| Notes Payable | | 5,000,000 |
| Accrued Taxes & Other Liabilities | | <u>5,806,372</u> |
| Total Liabilities | | 239,567,905 |
| Surplus | | 4,470,465 |
| Undivided Profits | | 23,255,801 |
| Net Unrealized Holding Gains | | 764,675 |
| Total Equity | | 28,490,941 |
| Total Liabilities and Equity | | \$268,058,846 |

Statement of Income & Changes in Equity

FOR THE YEAR ENDED DECEMBER 31, 2021

| | |
|---|---------------------|
| Interest and Fee Income | |
| Interest and Fees on Loans | \$8,264,889 |
| Interest and Dividends on Securities | 1,251,199 |
| Other Interest and Fees | <u>6,601</u> |
| Total Interest and Fee Income | 9,522,689 |
| Interest Expense | |
| Passbook / Statement Savings | 30,233 |
| Interest Checking (NOW's) | 15,580 |
| Money Market Plus Accounts | 37,500 |
| Certificates of Deposit | 882,842 |
| Escrow & Club Accounts | 1,279 |
| Interest on Notes Payable | <u>317,108</u> |
| Total Interest Expense | <u>1,284,542</u> |
| Net Interest Income | 8,238,147 |
| Non-Interest Income | |
| Service Charges on Deposit Accounts | 295,197 |
| Gain (Loss) on Securities Sold | 204,242 |
| Loan Servicing Activity | 120,364 |
| Other Non-Interest Income | <u>1,035,483</u> |
| Total Non-Interest Income | 1,655,286 |
| Non-Interest Expense | |
| Salaries & Benefits | 3,814,496 |
| Occupancy Costs | 451,901 |
| Equipment Costs | 203,418 |
| Computer Services | 1,165,364 |
| Other Non-Interest Expenses | <u>2,612,565</u> |
| Total Non-Interest Expenses | 8,247,744 |
| Income Before Income Taxes | 1,645,689 |
| Applicable Income Taxes | <u>348,829</u> |
| Net Income | \$1,296,860 |
| Reconciliation of Equity | |
| Equity as of December 31, 2020 | \$27,785,672 |
| Net Income for the Period | 1,296,860 |
| Net Impact of Unrealized Gains on AFS Securities | (591,591) |
| Equity as of December 31, 2021 | \$28,490,941 |



Saugerties Branch

MAIN OFFICE
87 Market Street
Saugerties, NY 12477

Marlboro Branch

2 Riverview Drive, Suite 1
Marlboro, NY 12542

Highland Branch

COMMERCIAL LENDING
3515 Route 9W
Highland, NY 12528

New Paltz Branch

100 Woodland Pond Circle
New Paltz, NY 12561

Loan Servicing

RESIDENTIAL LENDING
85 Market Street
Saugerties, NY 12477



**SAWYER
SAVINGS**



**Member
FDIC**