



FAMILY FIRST
CREDIT UNION

Banking Simplified. Life Magnified.



years of serving members

2018 Annual Report

MESSAGE FROM THE PRESIDENT/CEO AND CHAIRMAN OF THE BOARD

“Banking Simplified. Life Magnified.” This new tagline was introduced to our members and adopted by our employees at Family First in 2018. But what does it mean? It means that our purpose is to simplify your, our members, financial world, so that you can spend more time magnifying all the other important things in your life. We thought it was the perfect way to lead into celebrating our 50th Anniversary in 2019.

Growing

Our 2018 financial results reflect a growing organization that holds true to the credit union mission of “people helping people”. We broke the \$200 million mark in assets, as they grew by 11.6% to reach \$218 million at the end of the year. Loans provided to members grew by 10.8% to \$177 million. This loan growth was across all loan products as we continue to diversify the kind of loans we make and manage interest rate risk of the portfolio. All this is done while maintaining the safety and soundness of our credit union. Member share deposits grew by 8.1% to \$160 million. This growth is buoyed by a strong year end capital ratio of 10.08%. The efforts of our staff and referrals from our existing members are the driving factors for this solid growth. Rochester is a very competitive marketplace for financial institutions and we’re proud of these achievements.

Credit union growth across the country continues to gain momentum as shares and deposits grew during the year by 5.2% to an astonishing \$1.22 trillion at federally insured credit unions nationwide. The credit union movement is alive and well and we are happy to be part of its expansion.

Building

We were thrilled to open up our 5th location in Rochester at 1110 Long Pond Road in Greece on October 1st. This is our first branch on the west side of Rochester and we look forward to serving the over 2,000 existing Family First members who live on the west side, while welcoming new members to our family. The west side has so much to offer and we’re happy to bring our Family First products and services to this new area.

Our Henrietta branch underwent a major remodeling during the first quarter of 2018. This new look is much more member friendly and expanded the space we have to service members, as well as offering a more open floor plan. A new, highly-visible Drive-Thru ATM was added in the parking lot of the Frontier Commons to allow both members and non-members easy access to handle their financial transactions from the comfort of their vehicle.



TOM DAMBRA
President/CEO



MARK SANSOUCI
Chairman of
the Board

Evolving

During 2018, Family First staff completed a branding initiative to help us establish a cohesive and consistent message with each other and our members and to move forward as an organization. We are dedicated to “Family”. While this may seem like a basic concept, we will always treat our members and our fellow employees as we would our family members – with respect and kindness. Our employees are truly a team that stands with you and they are our most valuable asset here at Family First. We all work together day in and day out to support one another and ensure our members receive superior service and exceptional products.

We recognize that technology is ever growing and evolving. We aim to be as technologically capable as the big financial institutions while delivering true community service to our members. Our online banking platform has an uptime of over 99.9% and the number of members using mobile banking and online bill pay increased by over 9%. You can be assured that as technology continues to develop new and exciting ways of managing your finances, we will be working to implement them in a secure and timely manner.

Giving Back

Community involvement is the hallmark of any local organization. Annually the Family First employees have provided many Thanksgiving dinners to those in need and provided entire Christmas celebrations for families. Our generous and caring staff are a perfect example of why we are stronger together.

As an organization we continue to give financially to local groups, organizations and small businesses to build and strengthen the communities we serve. In 2018 we sponsored various causes from Rush-Henrietta Hockey to the Penfield High School production of Cinderella, from the Camp Good Days and Special Times Courage Bowl to the Rochester Philharmonic Orchestra. It is with great happiness that we support causes that have a real effect on our members and our neighborhoods.

Because of members like you working with us, we have experienced another successful year at Family First. 2019 marks the 50th anniversary of our credit union. Our founders, Dick Dennison and Len Szumiloski, started something very special that has evolved into almost 16,000 members 50 years later. It is with great pride that we at Family First promise to carry this tradition forward into the next 50 years.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Dambra".

Tom Dambra
President/CEO

A handwritten signature in black ink, appearing to read "Mark Sansouci".

Mark Sansouci
Chairman, Board of Directors

STATEMENT OF INCOME

FOR THE YEARS ENDING DECEMBER 31, 2018 & 2017

	<u>2018</u>	<u>2017</u>
INTEREST INCOME		
LOANS TO MEMBERS	\$8,734,114	\$7,435,458
INVESTMENTS	\$382,635	\$347,583
TOTAL INTEREST INCOME	\$9,116,749	\$7,783,041
INTEREST AND DIVIDEND EXPENSE		
DIVIDENDS ON MEMBER AND NON-MEMBER DEPOSITS	(\$1,170,776)	(\$735,874)
INTEREST ON BORROWED FUNDS	(\$326,604)	(\$271,247)
TOTAL INTEREST AND DIVIDEND EXPENSE	(\$1,497,380)	(\$1,007,121)
NET INTEREST INCOME BEFORE PROVISION FOR LOAN LOSSES	\$7,619,369	\$6,775,920
PROVISION FOR LOAN LOSSES	(\$533,076)	(\$453,188)
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$7,086,293	\$6,322,732
NON-INTEREST INCOME		
FEES, CHARGES AND OTHER OPERATING INCOME	\$2,392,656	\$2,345,959
NON-INTEREST EXPENSES		
COMPENSATION AND BENEFITS	\$4,000,128	\$3,644,938
OFFICE OCCUPANCY AND OPERATIONS	\$2,686,975	\$2,593,049
PROFESSIONAL AND OUTSIDE SERVICES	\$1,298,939	\$1,138,548
FEDERAL OPERATING FEE	\$35,118	\$39,412
NCUA CHARGES	\$-0-	\$-0-
ASSOCIATION DUES	\$49,860	\$32,602
TOTAL NON-INTEREST EXPENSES	\$8,071,020	\$7,448,549
NET INCOME	\$1,407,929	\$1,220,142

STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2018 & 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CASH AND CASH EQUIVALENTS	\$1,840,838	\$1,725,897
OVERNIGHT DEPOSITS AT FINANCIAL INSTITUTIONS	\$10,295,859	\$2,975,000
INVESTMENTS IN CERTIFICATES OF DEPOSIT	\$10,694,000	\$13,975,000
LOANS TO MEMBER, NET	\$177,834,955	\$1,60,645,901
ACCRUED INTEREST RECEIVABLE	\$641,474	\$611,961
CAPITAL SHARES OF CORPORATE CREDIT UNIONS	\$173,007	\$173,007
FHLB STOCK	\$926,700	\$685,100
CASH VALUE OF INSURANCE ANNUITY INVESTMENT	\$1,632,806	\$1,588,344
PREPAID EXPENSES AND OTHER ASSETS	\$6,568,153	\$6,408,994
PROPERTY AND EQUIPMENT, NET	\$5,757,804	\$5,453,579
NCUSIF DEPOSIT	\$1,618,635	\$1,490,183
TOTAL ASSETS	\$217,984,231	\$195,396,966
LIABILITIES AND MEMBERS' EQUITY		
-LIABILITIES		
MEMBER AND NON-MEMBER DEPOSITS	\$175,801,087	\$159,675,958
BORROWINGS	\$18,000,000	\$13,000,000
ACCRUED DIVIDENDS PAYABLE	\$58,577	\$25,465
ACCOUNTS PAYABLE, ACCRUED EXPENSES, AND OTHER LIABILITIES	\$2,233,937	\$2,171,769
TOTAL LIABILITIES	\$196,093,601	\$174,873,192
-MEMBERS' EQUITY		
REGULAR RESERVE	\$2,451,043	\$2,451,043
UNDIVIDED EARNINGS	\$19,519,276	\$18,111,347
ACCUMULATED OTHER COMPREHENSIVE INCOME	(\$79,689)	(\$38,616)
TOTAL MEMBERS' EQUITY	\$21,890,630	\$20,523,774
TOTAL LIABILITIES & MEMBERS' EQUITY	\$217,984,231	\$195,396,966

How things change

1969



Gas was \$0.33 a gallon



The average new car cost \$2,000



A loaf of bread was \$0.23



A postage stamp was \$0.06



A dozen eggs cost \$0.62



2019



Gas is \$2.50 a gallon

The average new car costs \$37,500

A loaf of bread is \$2.34

A postage stamp is \$0.50

A dozen eggs cost \$1.63

FAMILY FIRST IS PROUD TO SUPPORT OUR COMMUNITY

Santa stopped by the credit union for some family fun.



Our branch managers rang the bell for the Salvation Army.

Captain Savin' always loves stopping by the Harvest Fest.

Our East Rochester branch held an event to support the Finger Lakes Burn Association.

Many employees wore T-shirts to support Alzheimer's Awareness.

Toys donated by members and employees to the "Go Grey for Mackenzie" foundation.

BRANCHING OUT

In the Fall of 2018, Family First was excited to open our new Greece office, our first branch on the west side of Rochester. We have been welcomed with open arms by the residents, businesses and town officials and we couldn't be happier with how things are going. Thank you to all of our members and the Greece community. We're very excited to be a part of your neighborhood!



Through the Years



*Thank you to our
members and employees*

SUPERVISORY COMMITTEE MESSAGE



HUGH FRANKLIN
Chairman of the Supervisory Committee

The basic function of the Supervisory Committee is to monitor the safety and soundness of the credit union.

In short, to make sure your funds are secure. We do that by conducting a series of reviews and audits to validate various facets of the credit union that include: audits of loan files, surprise cash counts at the teller line, cash counts of the vault, and verification of closed accounts.

The committee also reviews internal controls such as operational and financial standards, financial statements, the external auditor's report, maintenance of internal controls, and verification of the investment holdings of the credit union. In addition, we are responsible for overseeing the financial reporting process to all governmental agencies and ensuring that management has established an effective structure of internal controls. We have engaged an "internal" auditor to assist us with this process.

We are also in charge of scheduling and monitoring an audit by a certified public accounting firm. We have contracted with The Bonadio Group to conduct an audit of the credit union's financial records and system of internal controls as of December 31, 2018. The auditors report directly to the Board of Directors and Supervisory Committee on any findings. We are pleased to announce that again this year there weren't any exceptions to report.

After our NCUA examination this year, the examiner's report included the following comment: "You have a knowledgeable and active supervisory committee that ensures adequate internal controls are maintained".

The current Supervisory Committee members include: Hugh Franklin, Chairman; Ken Dell, Greg Evershed and Brian Short.

To contact the Committee, you may write to us at PO Box 25393, Rochester, NY 14625 or e-mail us by going to www.familyfirstny.com, clicking on "Contact Us" and submitting the form.

Thank You To Our Employees Celebrating Their Anniversary With Family First

We Appreciate All You Do.



MELANIE DICKSON
Trainer and Development Coordinator
15 Years



EILEEN FERRIS
Director of IT and Operations
10 Years



KIM TYDINGS
Member Service Representative
5 Years

THE 2019 LEN SZUMILOSKI SCHOLARSHIP

We're proud to award the **Twelfth Annual Len Szumiloski Scholarships** in the name of our former Family First/Penfield Federal Credit Union President and CEO from 1972 to 1997. Len passed away in 2005, but his spirit lives on in the Credit Union's love for the community and the people it serves.

We hope that through these scholarships, we can help young people spend more time focusing on their education and magnifying the lives they will lead as they grow into adults. "*You're never too old to start learning and never too young to aim high and achieve great things*" ~ Asa Hutchinson. Our hope is that all members of our community strive to learn and grow not just financially, but as people.

Two student members were selected for the 2018-19 academic year, based on their essay submissions, scholastic records, extracurricular activities and community involvement. We are pleased to award \$1,000 scholarships to Allison Broccolo from Webster Thomas High School and Robert Larsen from Penfield High School. Congratulations and good luck in all your future endeavors!

FAMILY FIRST OF NY FEDERAL CREDIT UNION

Governance

THOMAS DAMBRA, *President/CEO*

BOARD OF DIRECTORS

MARK SANSOUCI, *Chairman of the Board*

RYAN PAYMENT, *Vice-Chairman of the Board*

BARBARA MOEHLE, *Secretary/Treasurer*

THOMAS COMBS

JAMES COSTELLO

DONNA DEDEE

HUGH FRANKLIN

Contact Us

585.586.8225 | www.familyfirstny.com

Locations

East Rochester | 375 Fairport Road

Greece | 1110 Long Pond Road | Country Village Plaza

Henrietta | 1225 Jefferson Road | Frontier Commons

Penfield | 2520 Browncroft Boulevard

Webster | 850 Ridge Road

Hours

Monday, Tuesday, Thursday (all branches):

9:00 a.m. – 4:30 p.m.

Wednesday:

10:00 a.m. – 4:30 p.m. | Greece- 10:30 a.m. - 4:30 p.m.

Friday:

9:00 a.m. – 6:00 p.m. | Greece- 9:00 a.m. - 5:00 p.m.

Saturday:

9:00 a.m. – 1:00 p.m. | Greece- Closed



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