

Banking Simplified. Life Magnified.

2019 Annual Report



FAMILY FIRST
CREDIT UNION

MESSAGE FROM THE PRESIDENT/CEO AND CHAIRMAN OF THE BOARD

Celebrating the past. Embracing the future.

In 2019, Family First Credit Union celebrated our 50th Anniversary and we couldn't be more excited to have spent the last half century serving you, our members. We plan to be here for you for many years to come. Our 50th was an exciting time and we hope you were able to take part in and enjoy some of the festivities. While we take this time to look back on the successes of last year, we also move forward from our celebration and continue to focus on you by living up to our newly introduced tagline "Banking Simplified. Life Magnified."

50 Years

Throughout the year we focused on celebrating 50 years of service and recognizing how we couldn't have reached this milestone without our members. We kicked off the fun on February 13th, the day we received our Articles of Incorporation as a credit union back in 1969, by having birthday parties in the branches. We promoted our Golden Anniversary by displaying the number "50" throughout our lobbies, wearing special gold logo attire and in our marketing. It was also tied in with some of our product specials during the year.

Our crowning achievement was our 50th Anniversary Reception, held at our Penfield Branch on Thursday, June 20th. While all members were invited to attend, we sent special invitations to those members who had been with us for over 35 years. We had a wonderful turnout and got to hear from several people who have been instrumental in growing the credit union from its early days, including founder Dick Dennison, who started the credit union in his home to help Penfield teachers and Phyllis Dimitropoulos, one of our first staff members. Jean Sweet (a current employee who has worked at Family First for 35 years), Don Milton and Hugh Franklin (long standing board members) also shared their recollections of Family First's growth with the audience. Thank you to all who worked so diligently to make the credit union what it is today. We wouldn't be here if not for your dedication to serving the members and the credit union mission of "People Helping People".

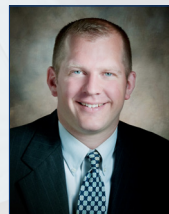
Changing and Evolving

To go with our new tagline "Banking Simplified. Life Magnified.", which we introduced towards the end of 2018, we made two major changes in how we visually represent the credit union: we introduced a refreshed logo and a new website. To better reflect our culture of service, we added an additional tree to our logo and adjusted our green to be slightly stronger than the previous shade. This new look represents how Family First (the green tree) is always there to stand behind our members (the blue tree) and support them with all their financial needs.

We also rolled out a new website in the Fall. This new website was designed with an eye towards ease of use and providing our members with the information they need with as few clicks and little searching as possible. It also includes technological upgrades that will allow us to utilize audio and video as we continue to evolve in the way we communicate with our members.



TOM DAMBRA
President/CEO



RYAN PAYMENT
Chairman of
the Board

Teamwork

With an enhanced emphasis on “Family”, our credit union culture, Family First staff have developed consistent procedures, processes and messaging that guides us in always treating our members and our fellow employees as we would our own family members. Our Family First employee family continues to grow and we are proud to be a strong team that stands with you and beside you, making sure you receive the support and exceptional member service you deserve. Our interactions with our members is really where “Banking Simplified. Life Magnified.” is best lived out, and we will continue to work hard to make your banking as easy as possible so you can spend more time on the important things in your life.

Our Neighbors and Friends

Family First takes great pride in contributing financially and with our time in the communities we serve, both as an organization and as employees. Continuing a tradition that has gone on many years, our staff provided Thanksgiving dinners and Christmas celebrations for those in need, donating money from their own paychecks to this cause. Our employees are a living testament that when we work together, we can accomplish so much more.

As an organization we continue to build and strengthen the communities we serve by giving financially to local groups, organizations and small businesses. In 2019 we sponsored various causes from OFC Creations performances to the Penfield Education Foundation 5K, from the Webster Comfort Care Home to the Flower City Down Syndrome Network. Each branch also held a winter clothing drive and donated coats, hats and boots to a different local agency in their communities.

Yearly Financials

Through 2019 we continued to grow financially as we welcomed more members to the family and provided them with additional products and services. Our asset size moved over the \$229 million mark rising by 5.3%. Loans provided to members grew by 4.0% to \$184 million. Member share deposits grew by 6.15% to \$170 million. Our year end capital ratio was 10.25%, demonstrating the strength of the credit union. These strong numbers would not be achievable without the efforts of our staff and referrals from our existing members. The Rochester market is very competitive when it comes to financial institutions, which makes these achievements all the more notable.

2019 has been a special year in the history of Family First Credit Union. It was our honor to celebrate 50 years of service to our members and the Rochester community. We look back upon those years fondly and are excited for what's to come in the next 50 years. We know you, our members, are our life's blood, so let us take this time to thank you so much for your membership. We truly appreciate you and couldn't do it without you.

Sincerely,



Tom Dambra
President/CEO



Ryan Payment
Chairman, Board of Directors

STATEMENT OF INCOME

FOR THE YEARS ENDING DECEMBER 31, 2019 & 2018

	<u>2019</u>	<u>2018</u>
INTEREST INCOME		
LOANS TO MEMBERS	\$9,545,181	\$8,734,114
INVESTMENTS	\$826,945	\$382,635
TOTAL INTEREST INCOME	\$10,372,126	\$9,116,749
INTEREST AND DIVIDEND EXPENSE		
DIVIDENDS ON MEMBER AND NON-MEMBER DEPOSITS	(\$1,848,060)	(\$1,170,776)
INTEREST ON BORROWED FUNDS	(\$414,638)	(\$326,604)
TOTAL INTEREST AND DIVIDEND EXPENSE	(\$2,262,698)	(\$1,497,380)
NET INTEREST INCOME BEFORE PROVISION FOR LOAN LOSSES	\$8,109,428	\$7,619,369
PROVISION FOR LOAN LOSSES	(\$501,425)	(\$533,076)
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$7,608,003	\$7,086,293
NON-INTEREST INCOME		
FEES, CHARGES AND OTHER OPERATING INCOME	\$2,638,569	\$2,392,656
NON-INTEREST EXPENSES		
COMPENSATION AND BENEFITS	\$4,426,347	\$4,000,128
OFFICE OCCUPANCY AND OPERATIONS	\$2,848,226	\$2,686,975
PROFESSIONAL AND OUTSIDE SERVICES	\$1,355,972	\$1,298,939
FEDERAL OPERATING FEE	\$32,314	\$35,118
ASSOCIATION DUES	\$57,543	\$49,860
TOTAL NON-INTEREST EXPENSES	\$8,720,402	\$8,071,020
NET INCOME	\$1,526,170	\$1,407,929

STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2019 & 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CASH ON HAND	\$1,529,809	\$1,840,838
OVERNIGHT DEPOSITS AT FINANCIAL INSTITUTIONS	\$2,870,512	\$10,295,859
INVESTMENTS IN CERTIFICATES OF DEPOSIT	\$16,670,000	\$10,694,000
INVESTMENT SECURITIES AVAILABLE FOR SALE	\$9,378,805	\$2,611,899
LOANS TO MEMBER, NET	\$184,345,233	\$177,834,955
ACCRUED INTEREST RECEIVABLE	\$783,699	\$641,474
CAPITAL SHARES OF CORPORATE CREDIT UNIONS	\$173,007	\$173,007
FHLB Stock	\$953,000	\$926,700
CASH VALUE OF INSURANCE ANNUITY INVESTMENT	\$1,678,501	\$1,632,806
PREPAID EXPENSES AND OTHER ASSETS	\$4,012,276	\$3,956,254
PROPERTY AND EQUIPMENT, NET	\$5,440,350	\$5,757,804
NCUSIF DEPOSIT	\$1,802,225	\$1,618,635
TOTAL ASSETS	\$229,637,417	\$217,984,231
LIABILITIES AND MEMBERS' EQUITY		
~LIABILITIES		
MEMBER AND NON-MEMBER DEPOSITS	\$186,059,246	\$175,801,087
BORROWINGS	\$18,173,800	\$18,000,000
ACCRUED DIVIDENDS PAYABLE	\$122,651	\$58,577
ACCOUNTS PAYABLE, ACCRUED EXPENSES, AND OTHER LIABILITIES	\$1,742,504	\$2,233,937
TOTAL LIABILITIES	\$206,098,201	\$196,093,601
~MEMBERS' EQUITY		
REGULAR RESERVE	\$2,451,043	\$2,451,043
UNDIVIDED EARNINGS	\$21,045,446	\$19,519,276
ACCUMULATED OTHER COMPREHENSIVE INCOME	\$42,727	(\$79,689)
TOTAL MEMBERS' EQUITY	\$23,539,216	\$21,890,630
TOTAL LIABILITIES & MEMBERS' EQUITY	\$229,637,417	\$217,984,231

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, 2019. 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 were no adjustments recorded or material weaknesses identified.

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.



THE 2020 LEN SZUMILOSKI SCHOLARSHIP

We're proud to award the **Thirteenth 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 2019-20 academic year, based on their essay submissions, scholastic records, extracurricular activities and community involvement. We are pleased to award \$1,000 scholarships to Zoë Masters from Webster Thomas High School and Ben Tischner from Webster Schroeder High School. Congratulations and good luck in all your future endeavors!

Thank You To Our Employees Celebrating Their Anniversary With Family First We Appreciate All You Do.



JEAN SWEET
Lending
35 Years



EILEEN WOLANSKI
Director of HR
10 Years



SHAWNA PERNICONE
Call Center and Operations
5 Years



JULIE VELLA
Mortgage
5 Years

FAMILY FIRST IS PROUD TO SUPPORT OUR COMMUNITY

One way we like to thank the communities we serve is through Family First staff and management participating in activities that support those communities. As a local financial institution, our employees live in the same neighborhoods our members do, and we are happy to help and demonstrate our commitment to East Rochester, Greece, Henrietta, Penfield, Webster, and the Greater Rochester area.



Supporting our local
YMCA's.



Three generations of the Denison
family joined us for the 50th
Anniversary Reception.



Handing out \$100
classroom grants for
local teachers.



A student whose art-
work will be displayed
in our Greece lobby.



Girl Scouts selling cookies in our
Penfield lobby. Who doesn't like a thin
mint?



Employees dropping
off donations from
our Winter Clothing
Drive.



THANK YOU

We want to take this opportunity to thank you for your membership. You trust us with your finances and we take this responsibility very seriously. Know that we will always be here for you to simplify your banking so you can magnify your life.

FAMILY FIRST OF NY FEDERAL CREDIT UNION

Governance

THOMAS DAMBRA, *President/CEO*

BOARD OF DIRECTORS

RYAN PAYMENT, *Chairman of the Board*

BARBARA MOEHLE, *Vice-Chair of the Board*

THOMAS COMBS, *Secretary/Treasurer*

JAMES COSTELLO

DONNA DEDEE

HUGH FRANKLIN

MARK SANSOUCI

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. – 5:00 p.m. | Penfield: 9:00 a.m. – 6:00 p.m.

Saturday:

9:00 a.m. – 1:00 p.m. | East Rochester & Greece: Closed



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