

Perseverance

through challenging times.



FAMILY FIRST
CREDIT UNION

2020 Annual Report

MESSAGE FROM THE PRESIDENT/CEO AND CHAIRMAN OF THE BOARD

Perseverance through challenging times.

To say that 2020 was a challenging year would be a great understatement. While our year at Family First Credit Union started out much like any other, within a few months the COVID-19 pandemic required us to make changes to the way we do business and interact with our members.

We responded quickly and adapted to the ever-changing conditions in our community with the health and safety of our members and staff at the forefront of our decision making. Through it all we worked hard to be there for you during these uncertain times, continuing to provide you with the high-quality service and products you expect and deserve as a member at Family First.



TOM DAMBRA
President/CEO

The Pandemic

It's hard to say something about the COVID-19 pandemic that hasn't already been said. In the early part of the year, as the deadly consequences of the pandemic were becoming apparent, we quickly responded by closing our lobbies to regular foot traffic and doing the majority of transactions through our call center and drive-thru windows. Members were still able to meet with mortgage officers and financial service reps for loans on a by appointment basis where strict safety protocols were observed. When we reopened our branches, we had made many changes to the way that we did business including socially distanced transaction stations and waiting areas in our lobbies, plastic shields on all member-facing desks and readily available masks and hand sanitizer. Sadly, we removed the coffee stations and Friday popcorn in an abundance of caution.



RYAN PAYMENT
Chairman of
the Board

Our staff also took part in precautions to keep each other safe: those who could work from home did so, our break rooms were socially distanced and had limited capacity, meetings were done via Microsoft Teams on all our computers, and masks were worn by lobby staff at all times and by support staff whenever they left their offices. We took this pandemic seriously and we were glad to see our members and staff did the same.

The results of the pandemic led to many experiencing financial hardship and we quickly provided services to help alleviate this stress. We adjusted payments on loans and mortgages, waived Skip-A-Pay fees and reduced overdraft fees, lightening the burden on our members and their families. Our team worked one-on-one with our members to come up with solutions to help them and their specific situations during this unprecedented time.

Using Technology to Communicate and Serve

While the pandemic heavily affected the face-to-face manner in which we work with our members, it also put us in a position where we were able to rely on the technological tools that we have available.

Finishing a project started in 2019, we implemented the second phase of our online account opening system in 2020. Phase one allowed members to open savings products (savings, checking, CDs) online with a few simple clicks. With phase 2, loans could be applied for online and their progress viewed as they moved through the approval process. This new system was much more user friendly than our previous online loan app and automatically entered the information into our core system, saving our staff valuable time.

Other tools introduced in 2020 were Text Message Banking and Push Notifications. Members can now text us their questions and one of our member service team can respond via text message. With Push Notifications, members who use our Mobile App can receive quick informative alerts on their smart phones. As we reopened our branches, we utilized this service to keep everyone updated on our opening schedule and new procedures. Family First will continue to take advantage of technology to make banking with us convenient for you.

Culture

Family First took the next step in developing our culture of “Family” during 2020. With committees dedicated to employee appreciation, team building, and branding we were able to develop consistent internal behaviors and messaging that guide us in our interactions with members and each other. As an organization we continue to grow so that we can provide our members with an expanding series of products and services that are geared towards making your banking as easy as possible so that you can spend more time on the important things in your life.

The Communities We Serve

We wouldn't be here without the communities and neighborhoods that we serve and we are pleased to give back to them through financial contributions and with our time, both as an organization and as individuals. Thankfully this year, we were able to continue our tradition of our staff donating money from their own paychecks to provide Thanksgiving dinners and Christmas celebrations for those in need. Our team continues to give of their own time and treasure to show our neighbors that they are here for them.

During the pandemic, many of the usual community events that we sponsor were canceled or postponed. We were able to find ways to give back as an organization by financially supporting some of the following causes through their pandemic-adjusted fundraising: The National Center for Missing and Exploited Children, Camp Good Days and Special Times, OFC Creations, the Hilton Food Pantry and the Webster Community Chest.

Yearly Financials

Although 2020 was a year of uncertainty, Family First continued to be financially stable. Our asset size increased to \$260.6 million, rising by 13.5%. Our loan volume grew by 11.2% to \$204.5 million. Our member share deposits ended the year at \$189.2 million, growing 11.4% from last year. With a net worth ratio of 9.94%, we were able to sustain the overall strength of the credit union. We were able to achieve these strong numbers during these tough times through the loyalty of our membership and dedication of our staff.

When we celebrated our 50 Year Anniversary in 2019, we could not have foreseen how much our lives would change in 2020. The coronavirus has transformed everything about the way we live, work and interact with each other and we can't thank you enough for your flexibility and trust as we navigated our way through this unprecedented situation. Know that as we move into the future, Family First will always be dedicated to the safety of you and your finances and will be here to help you persevere through challenging times.

Sincerely,



Tom Dambra
President/CEO



Ryan Payment
Chairman, Board of Directors

STATEMENT OF INCOME

FOR THE YEARS ENDING DECEMBER 31, 2020 & 2019

	<u>2020</u>	<u>2019</u>
INTEREST INCOME		
LOANS TO MEMBERS	\$9,450,034	\$9,545,181
INVESTMENTS	\$668,902	\$826,945
TOTAL INTEREST INCOME	\$10,118,936	\$10,372,126
INTEREST AND DIVIDEND EXPENSE		
DIVIDENDS ON MEMBER AND NON-MEMBER DEPOSITS	(\$1,228,345)	(\$1,848,060)
INTEREST ON BORROWED FUNDS	(\$457,232)	(\$414,638)
TOTAL INTEREST AND DIVIDEND EXPENSE	(\$1,685,577)	(\$2,262,698)
NET INTEREST INCOME BEFORE PROVISION FOR LOAN LOSSES	\$8,433,359	\$8,109,428
PROVISION FOR LOAN LOSSES	(\$501,428)	(\$501,425)
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$7,931,931	\$7,608,003
NON-INTEREST INCOME		
FEES, CHARGES AND OTHER OPERATING INCOME	\$2,972,622	\$2,638,569
NON-INTEREST EXPENSES		
COMPENSATION AND BENEFITS	\$4,667,672	\$4,426,347
OFFICE OCCUPANCY AND OPERATIONS	\$2,625,044	\$2,848,226
PROFESSIONAL AND OUTSIDE SERVICES	\$1,364,901	\$1,355,972
FEDERAL OPERATING FEE	\$30,414	\$32,314
ASSOCIATION DUES	\$61,930	\$57,543
TOTAL NON-INTEREST EXPENSES	\$8,749,961	\$8,720,402
NET INCOME	\$2,154,592	\$1,526,170

STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2020 & 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CASH ON HAND	\$1,973,221	\$1,529,809
OVERNIGHT DEPOSITS AT FINANCIAL INSTITUTIONS	\$6,401,732	\$2,870,512
INVESTMENTS IN CERTIFICATES OF DEPOSIT	\$11,452,000	\$16,670,000
INVESTMENT SECURITIES AVAILABLE FOR SALE	\$19,969,603	\$9,378,805
LOANS TO MEMBER, NET	\$204,523,001	\$184,345,233
ACCRUED INTEREST RECEIVABLE	\$828,606	\$783,699
CAPITAL SHARES OF CORPORATE CREDIT UNIONS	\$300,000	\$173,007
FHLB STOCK	\$891,000	\$953,000
CASH VALUE OF INSURANCE ANNUITY INVESTMENT	\$3,231,236	\$1,678,501
PREPAID EXPENSES AND OTHER ASSETS	\$3,952,606	\$4,012,276
PROPERTY AND EQUIPMENT, NET	\$5,180,341	\$5,440,350
NCUSIF DEPOSIT	\$1,937,029	\$1,802,225
TOTAL ASSETS	\$260,640,375	\$229,637,417
LIABILITIES AND MEMBERS' EQUITY		
~LIABILITIES		
MEMBER AND NON-MEMBER DEPOSITS	\$215,407,467	\$186,059,246
BORROWINGS	\$17,173,800	\$18,173,800
ACCRUED DIVIDENDS PAYABLE	\$63,049	\$122,651
ACCOUNTS PAYABLE, ACCRUED EXPENSES, AND OTHER LIABILITIES	\$2,088,927	\$1,742,504
TOTAL LIABILITIES	\$234,733,243	\$206,098,201
~MEMBERS' EQUITY		
REGULAR RESERVE	\$2,451,043	\$2,451,043
UNDIVIDED EARNINGS	\$23,200,038	\$21,045,446
ACCUMULATED OTHER COMPREHENSIVE INCOME	\$256,051	\$42,727
TOTAL MEMBERS' EQUITY	\$25,907,132	\$23,539,216
TOTAL LIABILITIES & MEMBERS' EQUITY	\$260,640,375	\$229,637,417

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, 2020. 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 2021 LEN SZUMILOSKI SCHOLARSHIP

We're proud to award the **Fourteenth 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.

Three student members were selected for the 2020-21 academic year, based on their essay submissions, scholastic records, extracurricular activities and community involvement. We are pleased to award \$1,000 scholarships to Jack Ciranni from Canandaigua Academy, Katie Taberski from Irondequoit High School, and Anna Costello from Our Lady of Mercy.

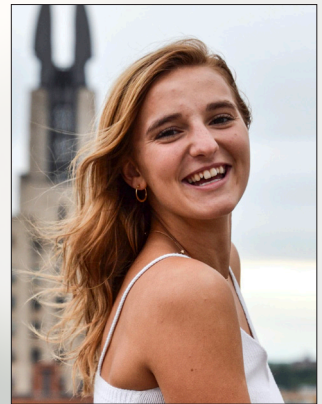
Congratulations & Good Luck in Your Future Endeavors!



JACK CIRANNI
Canandaigua Academy



KATIE TABERSKI
Irondequoit High School



ANNA COSTELLO
Our Lady of Mercy

THANK YOU TO OUR EMPLOYEES CELEBRATING
THEIR ANNIVERSARY WITH FAMILY FIRST
WE APPRECIATE ALL YOU DO.



MARY CICERO
Accounting
25 Years



HEATHER ELLIOTT
Member Services
15 Years



ALICE HOOKER
Mortgage
10 Years



AURORA MURRAY
Member Services
5 Years



BRENDA STONE
Operations
5 Years



JAMIE BRANSKI
Lending
5 Years



MAY CHICCINO
Member Services
5 Years



TOM DAMBRA
President/CEO
5 Years



DEB BAKER
Member Services
5 Years



JOE ACOR
Member Services
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.



Dropping off items
from our Winter
Clothing Drive



Donated to the Norman Howard
School to fund their new EquatIO
mathspace for virtual learning



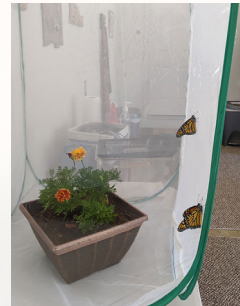
Proudly displaying
student artwork in our
Greece branch



Our sponsored dog
transport with Joyful
Rescues



Staff created birdhouses and gifted
them to residents at the Fairport
Baptist Homes



Recipients of our
teachers grants created
new classroom projects

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.

Saturday:

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



FAMILY FIRST
CREDIT UNION

Banking Simplified. Life Magnified.