



83rd Annual Meeting

March 12, 2022



Program

Introductions

Elections

Business Meeting

Minutes of the 82nd Annual Meeting

Report of the Chairman, Board of Directors

Report of the CEO

Report of the Treasurer, Board of Directors

Report of the Supervisory Committee

Report of the Credit Committee

New Business

Report of the Credentials Committee

Adjournment

Numbers of Interest

6,695	Members Strong
\$25,220,120.91	Amount of loans made during the year
3,696	Number of loans made during the year
156,292	Total number of loans since organization
\$531,423,944.31	Total amount of loans since organization



MISSION STATEMENT

Family First Credit Union provides a full range of financial products and services in a prompt and friendly manner.

VISION STATEMENT

Family First Credit Union will be a safe and sound financial institution offering our members and potential members competitive products and services during their lifetime.

CORE VALUES

Philosophy – We are a non-profit organization that believes in the credit union philosophy of “Members Helping Members”.

Ethical and Legal Behavior – We conduct business with integrity, trust, privacy, confidentiality, accountability, and mutual respect.

Member Service – We provide our members with a high level of professional service and respect.

Teamwork – We work together to achieve common goals and evaluate our progress.

Staff Development – We provide guidance and motivation to our staff through communication, policy development, and education.

Adaptive to Change – We are an organization that adapts to change to meet future challenges.

Organizational Growth – We will provide future growth opportunities through innovation, performance and planning initiatives.

Community Service – We dedicate our time and resources to causes that make a difference in our communities.



Family First Credit Union Virtual Meeting

Saturday, March 20, 2021

Minutes from the 82nd Annual Meeting



The meeting was called to order at 3:03 p.m. by Chairman, Maurice Patterson. He welcomed the members in attendance to our virtual 82nd Annual Meeting. Chairman, Patterson announced to the members in attendance how they will interact by making a motion and support and final vote during the election nominations and the approval of the meeting minutes from the previous meeting. He also directed them where to find the link to vote during the meeting if they hadn't already and where to find the link for the Annual Meeting booklet which contains the reports of today's meetings along with the minutes from the 81st Annual Meeting on March 14, 2020.

BOARD OF DIRECTORS PRESENT IN PERSON:

Chairman – Maurice Patterson; Treasurer – Joseph Turner; Director – Rayunza Chism-Hood

BOARD OF DIRECTORS PRESENT VIRTUALLY:

Vice Chairman- Ricardo Longoria; Secretary – Patricia Jacob; Director – Timothy Genovese, Director – Sharon Doolan; Director Emeritus – David Rupp

SUPERVISORY COMMITTEE PRESENT IN PERSON:

Chairman – Dennis Browning

SUPERVISORY COMMITTEE PRESENT VIRTUALLY:

Secretary – Michael Foust; Linda Burks-Jackson; Karl Primdahl

CREDIT COMMITTEE PRESENT IN PERSON:

No Committee members were present in person for the meeting.

CREDIT COMMITTEE PRESENT VIRTUALLY:

Belinda Barlow-Poole

STAFF PRESENT IN PERSON:

Fran Gibelyou; Tommi Lough

STAFF PRESENT VIRTUALLY:

Janie Smith; Kim Webber; Julee Turner; Amanda LaTarte; Julie Pangborn; Lynette Greenwald; Sasha Colon; Michele Fayfer

ELECTIONS FOR 2021

Chairman, Patterson announced the three nominees for the Board of Directors, Joseph Turner, Timothy Genovese and Sharon Doolan. All nominees were incumbents. Chairman, Patterson called for motion and support to close the nominations for the Board of Directors. Michele Fayfer moved to close the nominations for the Board of Directors, seconded by Dave Rupp.

Adopted Unanimously

Chairman, Patterson next announced Michael Foust and Suzanne Paris as the two nominees for the one open position for the Supervisory Committee. Michael Foust was the incumbent candidate. Chairman, Patterson called for motion and support to close the nominations for the Supervisory Committee. Sharon Doolan moved to close the nominations for Supervisory Committee, seconded by Michele Fayfer.

Adopted Unanimously

Chairman, Patterson continued with the announcement of the one nominee for the Credit Committee, Lori McGarrity. Chairman, Patterson called for motion and support to close the nominations for the Credit Committee. Although Chairman verbally called for the closure of the Credit Committee nominations, an error was made and “Motion to close nominations for the Supervisory Committee” was displayed on the member’s screen. No member comments were received during the meeting regarding the error. The error was discovered after the meeting was closed and the results of the meeting were printed and reviewed. Patricia Jacob moved to close the nominations for Credit Committee, seconded by Michele Fayfer.

Adopted Unanimously

Chairman, Patterson mentioned that we will take a short break and asked those members in attendance who had not already voted by online voting or by request of paper ballot to complete their ballot at this time by using the “Vote” link displayed on the screen for final tabulation of election.

BUSINESS MEETING

MINUTES OF THE 81st ANNUAL MEETING

Chairman, Patterson asked those present to click on the “Annual Report” link under the “Vote” link and spend a few moments reviewing the minutes of the 81st Annual Meeting held on March 14, 2020, at the Kochville Veterans Hall that were contained inside the Annual Report. He also informed the members that the booklet is available by request at any credit union office or on our website. Chairman, Patterson then asked if there were any changes recommended. No online comments were received from the members. Hearing none, Chairman, Patterson asked for motion and support to approve the 81st Annual Meeting Minutes as printed. Michele Fayfer moved to approve the minutes as printed, seconded by Julee Turner.

Adopted Unanimously

REPORT OF THE BOARD OF DIRECTORS

Chairman, Patterson thanked everyone again for attending our 82nd Annual Meeting. He continued by thanking CEO, Gibelyou and her staff for their leadership and guiding us through this pandemic and for the frontline staff that worked during the pandemic and followed up by thanking the members for their patience for waiting in long drive-thru lanes and abiding by pandemic rules when the lobbies are open.

2020 was a difficult year, full of uncertainty and unknowns. However, through all the uncertainty, Family First Board and Committees continued to meet, 100% of the time. The Board of Directors met through Zoom (a little shaky at the start). With everyone being home we had to make sure you could do most of your banking from home. This caused an uptick in bill pay and mobile banking, Members were able to deposit checks for their cell phones and transfer funds more than 6 times per month without penalty.

Through all the chaos of 2020, Family First has prevailed. Delinquencies and charge offs are down, our assets are up more than 11% from a year ago surpassing \$90M for the first time. We grew by more than 150 new members this past year, with several joining through our online portal where membership applications were available with the launch of our new website in February 2020.

No one knows what the other side of this pandemic will look like. There are many questions that need to be answered, by all of us. We realize going forward, as the Board of Directors, our need to express a clear and concise vision for the immediate future to address our members increasing expectations, and we certainly intend to do just that. As we continue to work together, Board of Directors, Management, Staff, Committees and you, our members, our future looks hopeful here at Family first Credit Union. I believe, Our Best Has yet to come. Thank You Chairman, Patterson mentioned his full report was included in the booklet.

REPORT OF THE CEO

CEO, Gibelyou started by introducing her 7 bosses; the Board of Directors: Chairman, Patterson Vice Chairman, Ricardo Longoria; Treasurer, Joseph Turner; Secretary, Patricia Jacob; Director, Rayunza Chism-Hood; Director, Genovese; Director, Doolan.

I am very pleased to report to you that Family First Credit Union reported a record and profitable year in 2020. Despite the COVID-19, and a jobless decline due to the pandemic, your credit union remains both financially safe and sound.

The beginning of a new year will bring major technological upgrades at the credit union. We will replace servers for all three branches that will better meet our current data processing needs. We signed a contract with Fiserv, our core data processing provider, to upgrade our current NetBranch online banking product. This new virtual banking platform will enable us to offer you one of the best products in the industry.

Although these projects require a substantial investment by the credit union, we strongly believe that these enhancements will enable our organization to surpass our competitors and deliver a more efficient and streamlined operation to our members.

We continue our commitment to hiring and developing the most competent and dedicated credit union professionals in the area. This is a critical component to providing you with exceptional member service. We implemented a new training system through CUNA, which will ensure that we provide our employees with the product knowledge and sales skills necessary to provide you the exceptional member service you deserve and expect.

As we move forward into 2021, there will be more challenges ahead. However, I remain confident that the Board of Directors, Official Family, and staff members are ready to meet those challenges. These dedicated individuals work tirelessly to ensure that your credit union meets your financial needs in the most efficient and professional manner possible. This has enabled the credit union to grow and prosper financially while some of our competitors have been merged out of business.

Finally, your credit union's overall record performance this year is a testament to our daily commitment of serving you, our members. I invite you to strengthen your financial relationship with your credit union, and I sincerely thank you for sharing your financial hopes and dreams with us.

REPORT OF THE TREASURER

Good afternoon. As Treasurer of the Board, I am here to report that Family First Credit Union is stronger today than last year. Earnings are up. Losses are down. Financial institutions face a modern world where retailing has been dramatically affected by the internet. Interest rates have plummeted and are expected to stay low for some time. Sales of big-ticket items such as housing and auto sales have skyrocketed due to bargain monthly payments created by low interest rates. Consumer demand has been stifled.

During 2020, we all experienced wave-after-wave of well-known challenges: work routines were disrupted, schools were closed, businesses were left trying to find new ways of making money, unemployment shot up, stimulus checks were necessary, and families were isolated from the world. Those waves of challenges remind me of the words of Jon Kabat-Zinn who said: "You can't stop the waves, but you can learn to surf." So, did we learn to surf? We will begin with some perspective.

Overall, CU membership in Michigan comprised 55% of the Population (5.5 Million members). 37% of the U.S. population belongs to a credit union. Family First is one of 217 CUs in Michigan and 5,241 across the U.S. How do we rank? Credit Unions are ranked by "Assets" expressed in Millions of dollars. The seven categories are: under \$20, <\$20-\$50>, <\$50-\$100>, <\$100-\$250>, <\$250-\$500>, <\$500-\$1 Billion>, over \$1Billion.

With over \$90 Million in assets, we are in the mid-sized category (60% of all credit unions are within the \$50 - \$250 million category). We are at the top of the \$50 to \$100 Million category. Having almost 6,500 members, also places FFCU within the top 25% of CUs in the \$50-\$100 million classification.

Industry trends: One long term trend in the financial industry has been mergers and acquisitions. That results in fewer choices for the consumer. Nationally, the number of Credit Unions declined by 2.8% in 2020, from 5391 to 5241. Michigan had 333 credit unions in 2009. Today there are 217, a decline primarily the result of mergers and acquisitions. As smaller credit unions declined in number, those having assets over \$1 Billion increased by 20%. A similar trend exists in the banking industry.

Market Conditions: Loans down, Savings up: As people pay off debt and save, loan growth is dropping. Nationally, in 2015, the drop was 7.2%; in 2019 10%. Housing prices and sales are strong. However, consistent with paying off debt, 2020 saw more refinanced housing loans than new mortgages. Nationwide, saving of disposable income is up: in 2013 it was 4%. Then, 7.27% in 2019 and in 2020, it was 13%.

What happened at Family First in 2020? Those waves of economic turbulence required Family First to draw heavily on available sources of expertise including its professional managers, board of directors, outside consultants and state officials. The overarching goals were to: increase efficiency, decreased expenses and improve profits. First, management found ways to report information in a more clear and concise manner. Zoom meetings became the new normal.

A companion goal in 2020 was to find new members. To do that a new online application process was created making it easier to become a part of our family. Outreach was made to certain households in Freeland and in the city of Saginaw. A credit union representative went door-to-door letting folks know about our convenient locations near their homes. Management increased efforts in marketing. I'm happy to report, current members keep recommending our friendly staff and good service. These things resulted in a 2.40% membership increase.

Other evidence members are satisfied includes that over 90% of expiring CDs are renewed. Remember that member service survey conducted between mid-October and mid-November of 2020? 93% of shareholders surveyed said they were "satisfied" with the institution's products and services. 96% said they would recommend Family First Credit Union to a friend or family member. Consequently, shares grew by 14.63% as members sought a safe place to keep their savings.

In spite of rough seas and contrary trends in the industry, under the guidance of our CEO, Fran Gibelyou and CFO, Jane Smith, the marketing efforts of Tommi Lough, and the leadership of CLO Kim Webber, the dollar volume of new loans increased by 9.9%. Family First enjoyed almost 3 million dollars in new and refinanced mortgages. While others may have seen losses increase, I'm thrilled to report the dollar volume of loan defaults continued to decline. In no small part due to stronger loan underwriting practices. There's more good news. Debt recovery led by Collections Manager, Amanda LaTarte, climbed from 23% in 2019 to 32% in 2020. All of it done in a tough year.

Your management team and board members strove to find ways to help Family First members hurt by the pandemic. Unlike national credit cards, we run our own card operation. Something could be done. VISA rates were already competitive but required payments could be lowered. Historically, the minimum payment was 3% of outstanding balance. The board decreased it by one third, to 2% of balance. Management helped by creating COVID-19 Skip Payment options and a new product called Quick Cash Loans. Let me emphasize that members can enjoy lower monthly payments, by transferring balances from other institutions to their Family First Visa card.

Finally, we are pleased to see members using our internet banking service known as “Net Branch.” It grew by 12.6% in 2020. The number of members using our mobile banking services grew 20.0%. As of yearend however, less than 10% of the membership had taken advantage of our newer identity protection programs: I.D. Protect (a benefit attached to your premium checking account) and SecurLock. (a benefit attached to your FFCU Debit Card) We encourage those of you who want more personal security to take advantage of them.

Looking to the future: All financial institutions remain challenged by the exceptionally low interest environment, economic disruption and other burdens associated with the pandemic. On-the-other hand, the future may bring good news! Consumer demand is expected to surge as an easing pandemic permits the economy to recover. We’re here to provide loans when you’re ready.

Looking backward we know there are over 30% fewer credit unions in this state today, than ten years ago. We’ve survived as a safe haven by surfing those waves of challenges rather than getting knocked around by them. A yearend report by McQueen Financial advisors showed Family First to be a stable financial institution which did unexpectedly better than some of its peers during 2020.

There is no question that the future holds much uncertainty. However, this institution has planned for various situations. That forethought and dedication yielded not only a profitable 2020 annual report but provides assurances for your money and your future. While some things are out of our control, our goal for 2021 is to maintain or increase our net worth ratio, help more members secure loans and to maintain a low loan delinquency ratio. Hopefully, predictions for a better overall economy in 2021 will be realized too.

If you are a parent or grandparent, I encourage you to begin a savings program for your younger family members, here. We want to be their trusted financial institution when the time comes to buy that first car or home. Help your family first, by assuring the finances of your loved ones are in good hands - at Family First Credit Union.

In conclusion, I am proud to be associated with the management, staff and board of directors who work very hard for you. My report documents their willingness to work together for the betterment of you, your future and that of other members.

One footnote, a printed document called Statements of Conditions and Comparisons is part of my annual report to you and is contained in the Annual Meeting booklet. Thank you.

REPORT OF THE SUPERVISORY COMMITTEE

Chairman, Browning began by reviewing the Supervisory Committee's responsibilities, which include selecting and engaging a CPA firm to audit the Credit Union Books and perform all other internal audits that are required annually. On a monthly basis, the Committee meets to randomly select and review: loans disbursed, new share accounts opened, address changes loan file maintenance, member data changes, and dormant account activity and reviewing all internal cash drawer audits.

In addition, the five members of your Supervisory Committee review internal controls, policies, and procedures to ensure that all elected officials and management staff are carrying out their responsibilities in the best interest of the membership.

As committee Chairman, I would like to acknowledge the following individuals who have given so much of their time and talent to volunteer and serve on your Supervisory Committee: Linda Burks-Jackson, Floyd Kloc, Michael Foust and Karl Primdahl.

Our committee also thanks our Chief Financial Officer, Jane Smith, our Chief Lending Officer, Kim Webber and the branch employees for their assistance and cooperation in helping us fulfil our responsibilities in performing our audits.

The State of Michigan's Department of Insurance and Finance Services is in the process of performing its 2020 examination of Family First Credit Union in the key areas of: Capital Adequacy, Asset Quality, Management, Earnings and Liquidity.

The Supervisory Committee has contracted with Financial Standards Group, Inc., which is currently in the process of performing Family First's 2020 CPA Audit.

It has been my pleasure to serve as Chairman of your Supervisory Committee.

REPORT OF THE CREDIT COMMITTEE

CEO, Gibelyou provided the report of the Credit Committee for Chairperson, Lori McGarrity. CEO, Gibelyou thanked the members of the Credit Committee for their service during 2020: Lori McGarrity, Belinda Barlow-Poole, Kennie Kempter, Stephanie Harden and John Moton, Jr.

CEO, Gibelyou stated that in 2020, the Credit Committee approved 3,277 loans for a total of \$18,164,372.32. The number of loans approved since organization is 152,596 for a total amount of \$506,208,823.40 to our members.

REPORT OF THE CREDENTIALS COMMITTEE

Chairman, Patterson asked Director, Chism-Hood to deliver the results of the election. Director, Chism-Hood started by thanking all the volunteers for their service to Family First Credit Union and to the members for making us their trusted financial partner.

She continued by stating this year's election was a little different than in year's past. This is the first time we have done online voting but still offered the members the opportunity of voting for candidates for the two weeks prior to the Annual Meeting. Members without online capabilities were able to request a paper ballot be mailed to them for voting. We hope you thought the voting process was quick and easy.

Results for the 2021 election are as follows: there were ballots 112 returned, 0 voided, with the following results: Board of Directors (3 year term), Joseph Turner, Timothy Genovese and Sharon Doolan; Supervisory Committee (3 year term), Michael Foust and Credit Committee (3 year term), Lori McGarrity.

Chairman, Patterson called for a motion and support to accept the results of the 2021 election from the Credentials Committee. Michele Fayfer made a motion to accept the 2021 election results and was seconded by Sharon Doolan.

Adopted Unanimously

ADJOURNMENT

It was noted that there were 26 members in virtual attendance, and six staff and official family in person for the meeting presentation to the membership, two of which were also logged in to the virtual meeting for a total of 30 members present. Chairman Patterson asked the members present if there was any further business to come before this meeting. There being none, he called for a motion to adjourn. Sharon Doolan made a motion to approve adjournment at 3:42 P.M., the motion was seconded by Patricia Jacob.

Adopted Unanimously

Chairman-Maurice Patterson

Secretary-Patricia Jacob

Recording Secretary- Tommi Lough

Thank you for being a part of our Family!



Message from the Chairman



Maurice Patterson

A handwritten signature in black ink, appearing to read 'M. Patterson', written in a cursive style.

Chairman, Board of Directors

Welcome to our 83rd Annual virtual meeting. Our hope is to have our 84th meeting in person.

In 2021, the Board of Directors held twelve regular meetings and for the first time in 3 years, attended the Fall Leadership Conference in Traverse City, MI., along with the members of the Supervisory Committee and Credit Committee. Our training was on a variety of financial topics required by our regulators such as, Bank Secrecy Act, and OFAC (Office of Foreign Asset Control). We also studied Risk Management Strategies, Building Member Business Lending and The New Post-Covid 19 Workspace, to name a few. Thank You all for your continued dedication and hard work to advance our Credit Union.

Family First Credit Union experienced another year of solid, managed growth. This past year has been one of the best and most profitable years this credit union has ever witnessed. Our auditors returned the exam documents with “No Findings”. The I.T. exam security report score was 99%. Three years ago at our strategic planning session, we established a goal to return our Net worth (Capital) ratio numbers back to where they were four years prior, giving ourselves five years to complete this task. At the start of the Pandemic, with everything financial being volatile, the numbers dropped even further. However, in the past 2 years we increased our ratio to less than one half percentage point from reaching our goal. This growth is attributed to all the hard work of our management and staff and to you, our owner/members for taking advantage of our deposit, loan, and electronic products. Your credit union is now fiscally sound and well capitalized.

The Board of Directors realizes and acknowledges that attracting younger members and providing them with the products and services they'll need throughout their lives, is critical to their long range success and the success of our credit Union. It's our belief that respect and considerate treatment of members, supplemented with new technology perfectly applied, will result in the highest levels of member loyalty. We will continue to work hard to keep up with the technological advances to better serve the changing needs of our membership. We also acknowledge with a declining population in the younger age groups, we understand that being good is simply not enough. We know we need to be our best to attract younger members, and then be great to retain their loyalty throughout their adult years. Starting as a small local credit union, we pride ourselves on being locally grown and locally committed. Yet, we are far more than local. With our mobile app, new website, new technologies and online capabilities, along with our 39,000 nationwide networks of shared branching and ATMs, Family First is ready to assist, wherever and whenever we are needed. In 2022 and beyond, Family First Credit Union will continue to be a safe and sound financial institution that is well-situated for the future.

Your Board of Directors and Management Team have operated strategically to build a strong credit union that can thrive for years to come. We appreciate the privilege of serving you, the member/owners of Family First Credit Union, and for your support and trust in us. Have a great annual meeting!

Message from the CEO

As your CEO, I am always forecasting and looking ahead trying to anticipate what may happen next with all the possible scenarios, but challenges posed by the COVID-19 pandemic continued its impact to all of us during 2020 and into 2021. Terms like “social distancing” and “mask mandates” became part of our vocabulary. Thankfully, we are finally beginning to see what we hope is the light at the end of the tunnel.

Our credit union faced challenges as well. Paramount among these included implementing measures to keep our employees and members safe in our facilities, deciding how to best accommodate employees who had to deal with family issues, virtual schooling, and closed daycares. Through the dedication and hard work of an outstanding team of volunteers, management, and staff, I am pleased to report that our credit union met every challenge we faced during 2021. I am exceedingly proud and most grateful for our staff members who took ownership of their roles as “essential workers” despite the inherent risks to their own health. To benefit our small business members, we provided PPP loans, in many cases helping these businesses stay open and retain their employees.

Our members truly embraced our technology offerings that allowed them to do business with us safely and securely. 2021 brought a new telephone system, ability to electronically sign documents, and enhanced employee focus on training, especially in Information Security.

In 2022, we will be offering an exciting new online banking platform which will include the ability use Zelle, an app to make a money transfer. We will also be upgrading our website to be more customized and easier to navigate. At the close of 2021, we added Audio Eye to our website which provided opportunities for individual with disabilities equal access to the web. Within the next 12 - 18 months we will be launching our new contactless debit and credit cards.

In our ever-changing world of technology, rest assured, we are constantly testing, planning, and implementing techniques which keep your finances and identity safe and secure.

As we enter 2022, I do so with optimism for what this year will have in store for the credit union. The economic recovery appears to be gaining momentum, with employment and housing indicators on the rise. However, the current interest rate environment will likely remain low, but hopefully steadily increase, which certainly impacts many of our members. Those who will have borrowing needs in the coming year, such as purchasing a home or vehicle, or even refinancing an existing loan, will benefit from the continued low interest rate environment.

I would like to express my sincere gratitude to my outstanding staff and to the Official Family volunteers who continually serve you. They are committed to making the credit union your primary financial institution of choice. In closing, please know that all of us at Family First Credit Union consider it an honor and privilege to serve you. We greatly appreciate your loyalty and continued financial support.



Frances Gibelyou

Frances M. Gibelyou

CEO, Family First Credit Union

Board of Directors Treasurer Report



Joseph M. Turner

Joseph M. Turner

TREASURER, BOARD OF DIRECTORS

Since 2018, I have had a rather lengthy report at the annual meeting, because it was important to document changes in the financial condition of the credit union. This was done by describing in some detail what your management team and Board of Directors had specifically done as they overcame challenges and improved Family First's financial condition.

This year, my presentation is shorter. The institution is doing very well. Two important ways this can be verified are by scrutinizing reports from both state and independent financial auditors and in reports describing the credit union's ability to withstand and react to internet intrusions.

Lets look at the the I.T. world and the security of this institution from hacking. As you know, Family First has been purchasing new technology, upgraded its software and routinely executes rigorous testing of both our computer equipment and the behavior of people who use it. The result? Audits of our I.T. system by more then one entity have shown that many past weaknesses have been eliminated. Avenues of attack from hackers that every institution must face, have been mitigated to such an extent that our security measures rank in the top range of all our peers.

On the money side, both state and independent financial auditors have been expressly complimentary; assuring us that our institutional trends are nicely positive. In some cases Family First's management team has been able to achieve growth in areas which our peers are struggling to achieve. For example, Family First's end of year Return on Average Assets (ROA) is 0.82 whereas our peer group is at 0.68. Our annualized Net Worth Ratio has risen from 8.16 to 8.83. Our ratio of Delinquent Loans to Total Loans has dropped from 0.82 to 0.57. Our Loan Yield has risen from 4.98% to 5.30%, while our peer group is at 4.97%. Our annualized Net Income catapulted from \$189,128 last year to \$748,849. Finally, a focused and determined effort by both loan initiation, and loan recovery staff, dropped the dollar volume of delinquent loans beautifully.

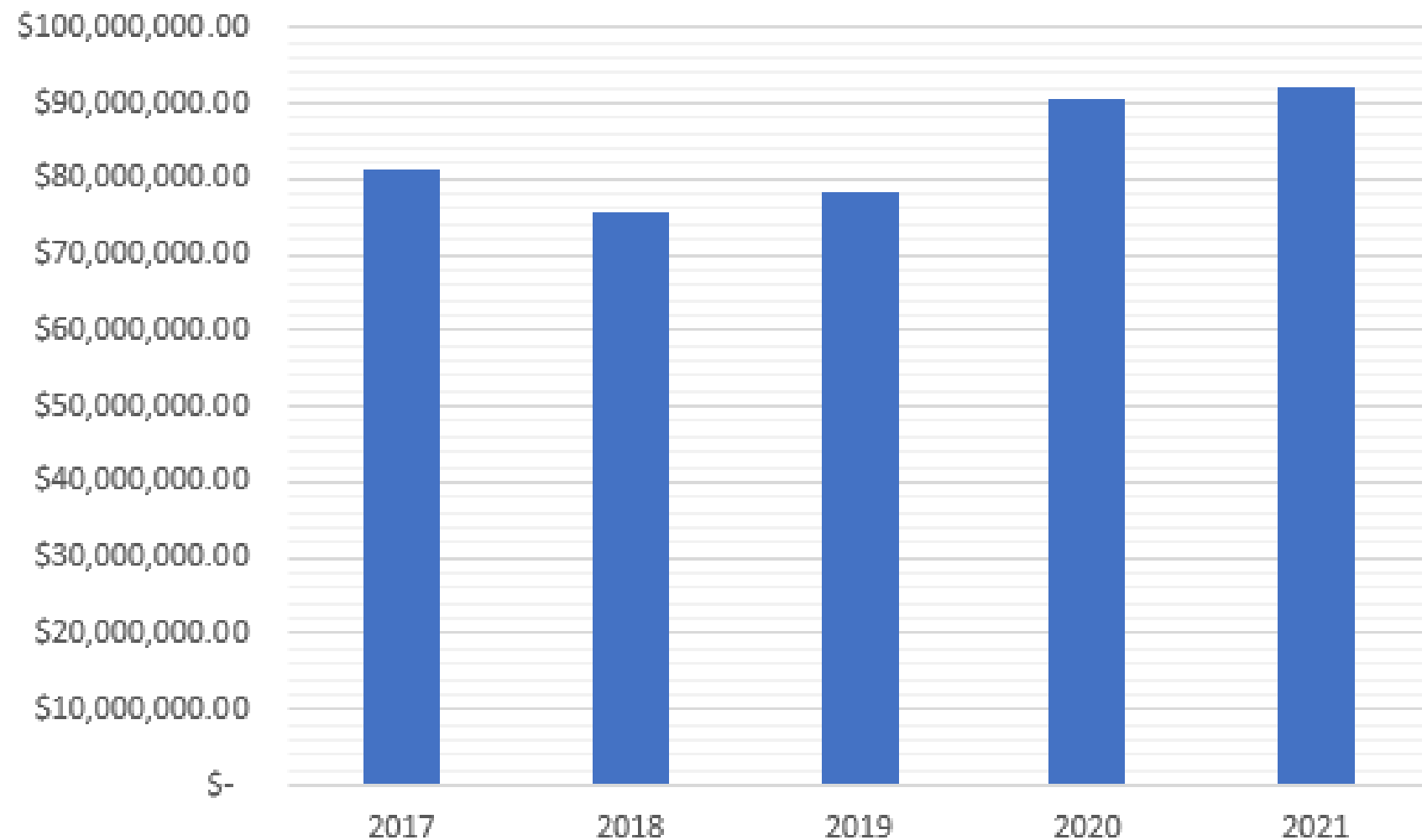
I salute the front line staff for their fine job in servicing our membership and in assisting them to achieve the financial goals individual members desire. I salute the entire management team and Family First's executive staff for executing the many decisions necessary for this institution to have done so well. I salute my fellow Board members for their attention to detail, for providing broad guidance, for their support of our Credit Union Family and for their willingness to secure professional guidance and education in matters of finance and lending. I am proud to convey yet one more time, Family First Credit Union is stronger and healthier this year than in the past year.



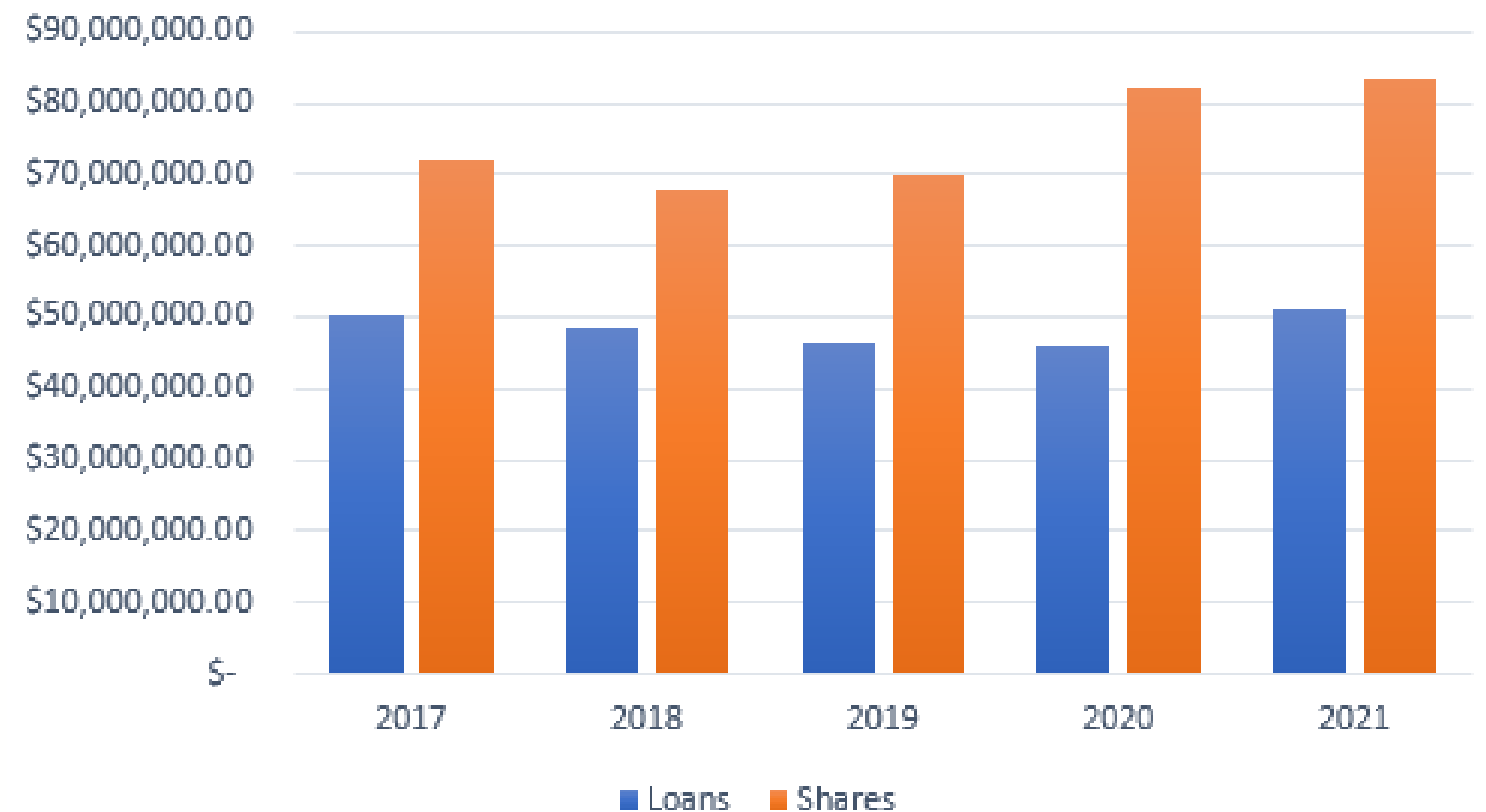
Statement of Financial Condition 2021 (Audited)

Balance Sheet:		Liabilities:	
Loans	\$ 51,076,358.00		
Deferred Loan Origination Costs	\$ 124,170.00	Accounts Payable and other Liabilities	\$ 907,567.00
Allowance for Loan Losses	\$ (308,802.00)	Borrowed Funds	\$ -
Net Loans	\$ 50,891,726.00	Total Shares	\$ 83,169,621.00
Cash	\$ 7,902,241.00	Regular Reserve	\$ 1,276,150.00
Investments	\$ 28,261,731.00	Undivided Earnings	\$ 6,114,265.00
Fixed Assets	\$ 3,558,876.00	AOCI	\$ (44,279.00)
Other Assets	\$ 1,557,598.00	Net Income	\$ 748,848.00
Total Assets	\$ 92,172,172.00	Total Liabilities & Equity	\$ 92,172,172.00

Total Assets

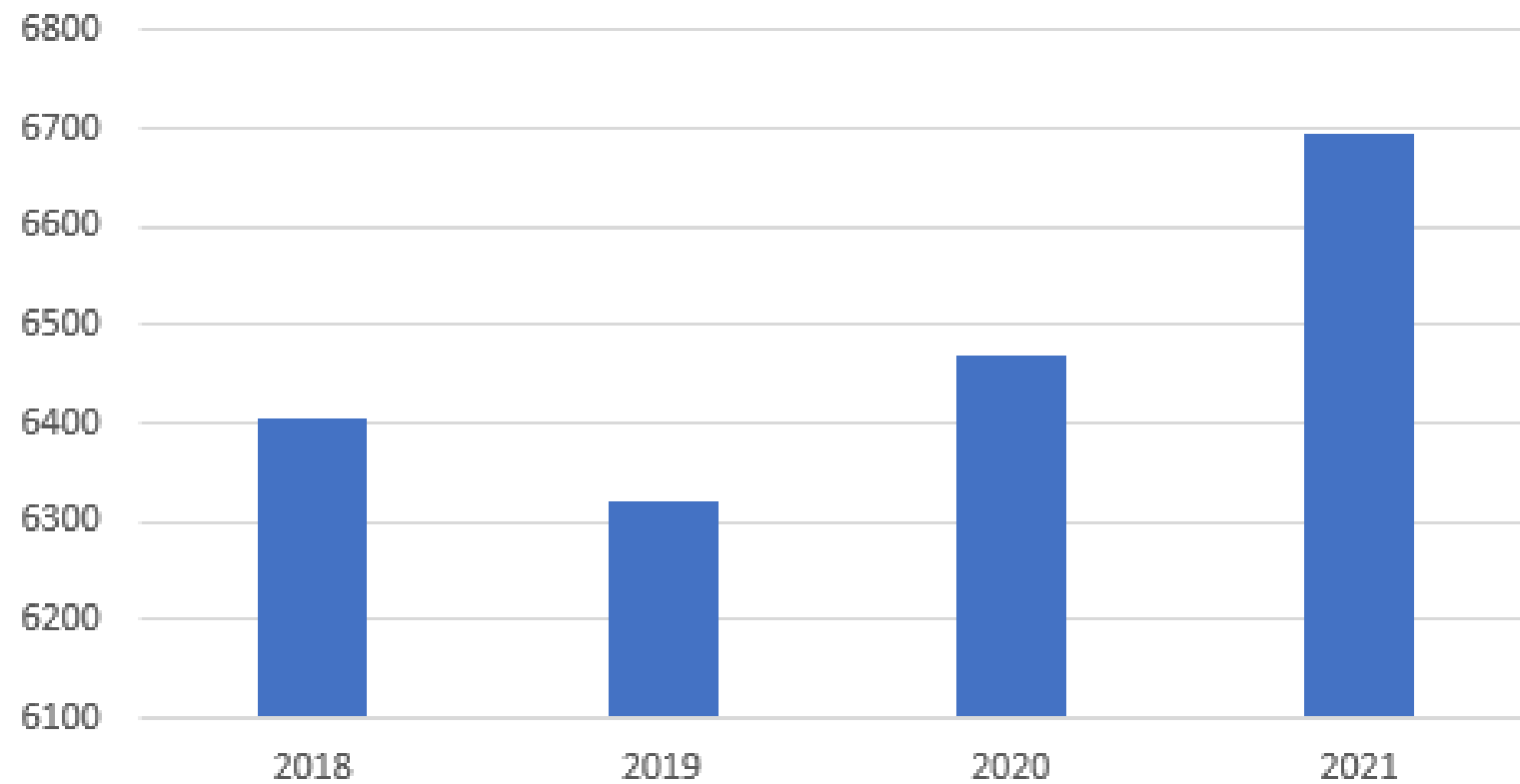


Member Loan and Deposit Balances

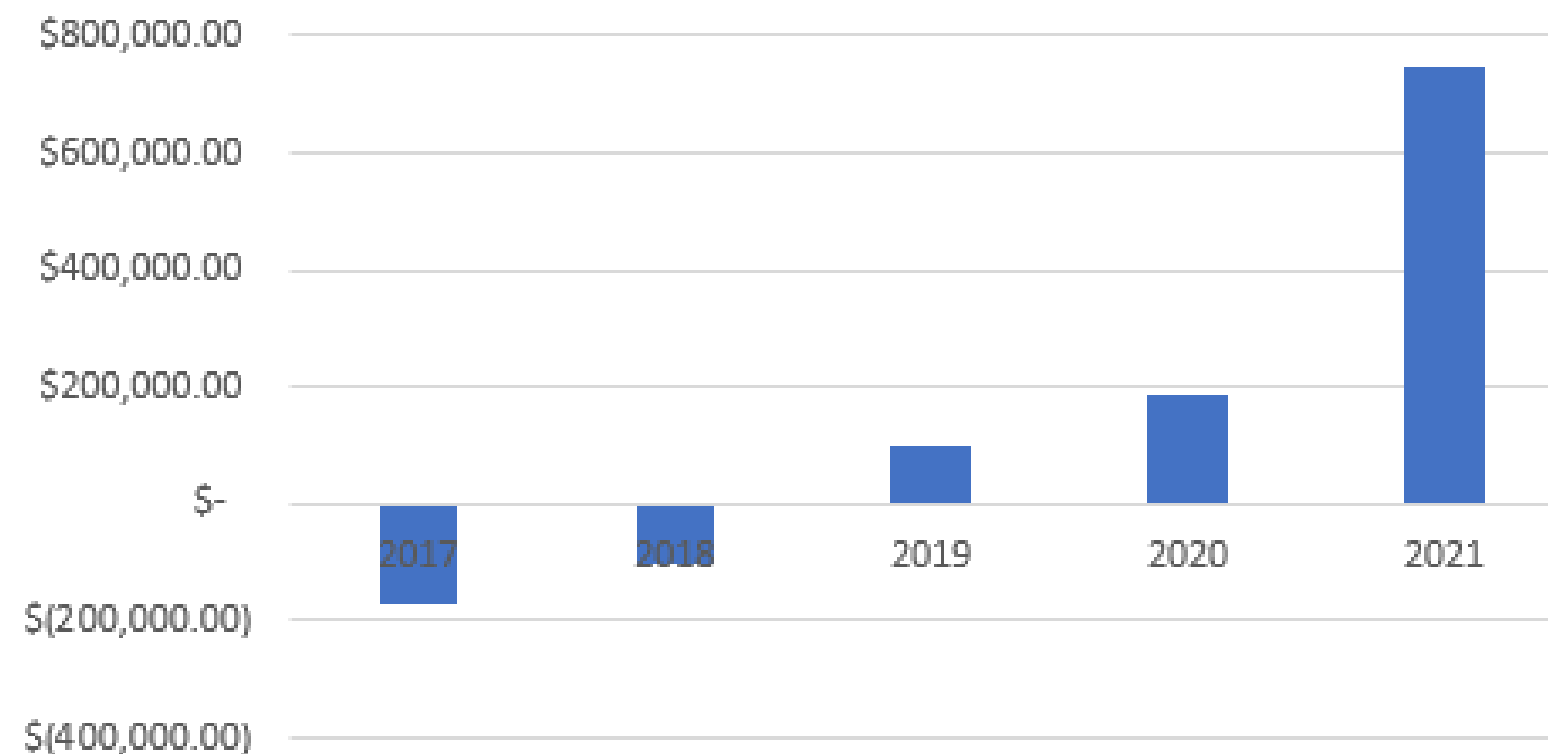




Members



Net Income



Statement of Income and Expenses

December 2021 (Audited)

Income Statement:

Loan Interest Income	\$ 2,672,029.00
Fee for Indirect lending	\$ (51,101.00)
Investment Income	\$ 441,369.00
Fee Income	\$ 671,884.00
Other Income	\$ 422,900.00
Total Income	\$ 4,157,081.00

Expense:

Compensation	\$ 1,090,578.00
Employee Benefits	\$ 198,990.00
Board & Committee	\$ 1,914.00
Travel & Conference	\$ 30,371.00
Association Dues	\$ 7,654.00
Office Occupancy	\$ 330,157.00
Office Operations	\$ 517,752.00
Educational/Promotional	\$ 77,793.00
Loan Servicing	\$ 237,393.00
Professional/Outside Services	\$ 527,301.00
Provision for Loan Losses	\$ 41,385.00
Interest on Borrowings	\$ -
Supervision Fees	\$ 19,074.00
Cash Over & Short	\$ 1,116.00
Annual Meeting	\$ 8,496.00
Miscellaneous	\$ 29,234.00
Total Expenses	\$ 3,119,208.00

Dividends \$ 311,946.00

Non-Operating Expenses \$ 22,921.00

Net Income \$ 748,848.00

Supervisory Committee Report



Dennis Browning
SUPERVISORY COMMITTEE CHAIRMAN

A handwritten signature in cursive that reads "Dennis Browning".

Michael Foust
SECRETARY

Linda Burks-Jackson

Floyd Kloc

Karl Primdahl

The Supervisory Committee's responsibilities include selecting and engaging a CPA firm to audit the credit union books and perform all other internal audits that are required annually.

On a monthly basis, the Committee meets to randomly select and review:

- Loans disbursed
- Loan file maintenance
- Dormant account activity
- Share accounts opened/closed
- Address changes
- Member data changes
- Review internal audits of all cash drawers

In addition, the five members of your Supervisory Committee review internal controls, policies and procedures to ensure that all elected officials and management staff are carrying out their responsibilities in the best interest of the membership.

As Committee Chairman, I would like to acknowledge the following individuals who give so much of their time and talent to volunteer and serve on your Supervisory Committee: Linda Burks-Jackson, Floyd Kloc, Michael Foust and Karl Primdahl.

Our Committee also thanks our Chief Financial Officer, Jane Smith, our Chief Lending Officer, Kim Webber and the branch employees for their assistance and cooperation in helping us fulfil our responsibilities in performing our audits.

The Supervisory Committee has contracted with Financial Standards Group, Inc., and has completed Family First Credit Union's 2021 CPA Audit.

The State of Michigan's Department of Insurance and Financial Services will soon begin our 2021 examination of Family First Credit Union in the key areas of: Capital Adequacy, Asset Quality, Management, Earnings and Liquidity.

Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government, National Credit Union Administration, a U.S. Government Agency.

The credit union Bond Insurance coverage and other insurances carried by CUNA Mutual Group has been increased to \$3.5 million for protection against any and all losses.

Credit Committee Report



A handwritten signature in cursive script that reads "Lori McGarrity".

Lori McGarrity

CREDIT COMMITTEE CHAIRMAN

Kennie Kempter

SECRETARY

Stephanie Harden

Belinda Barlow-Poole

John Moton Jr.

The Credit Committee and Loan Officers have the responsibility of granting all types of loans subject to the policies set forth by the Board of Directors, Bylaws and the Department of Insurance and Financial Services, which governs the operation of the credit union.

Our Credit Committee meets on a weekly basis to review loans that fall outside our credit union policy or the Loan Officers lending authority. Members also have the ability to have a loan denial reviewed by the Credit Committee for approval consideration. The Credit Committee will review these loans to evaluate the borrower's ability to repay the loan, review credit union policy and will make the final loan decision; which may include a counter offer for approval.

In 2020, during the early part of the pandemic we needed to find a safe way for our members to obtain loans and implemented e-signing of loan documents. We've expanded our mortgage and loan offerings to make financing more affordable to our members. The No Credit Check Quick Cash Loan, was a great success and in 2021, we increased the loan amount to \$1,250 for those members who took advantage of the loan in 2020. Again, this loan promotion was well received by the membership, giving members the option of having cash in hand quickly to use for the holidays. We look forward to offering this to the membership again in 2022. We believe these new lending options and the convenience of e-signing loan documents, along with our dedicated staff contributed to the credit union's success in increasing both the number of loans booked and new loans balance from the previous year by over \$7 million.

On behalf of the Credit Committee, I am pleased to report that during 2021 the credit union was here to service the needs of our members by approving 3,696 loans to our members totaling \$25,220,120.91.

The Credit Committee and Loan Officers continue to ensure that your deposits are being invested in quality loans.

Family First Out In The Community Making A Difference



**JOHNSONS
PUMPKIN FARM**



**JOE FM TOY DRIVE
(SANTA JOE)**



**PARTY ON
MCCARTY**



BREAST CANCER WALK



**IMPACT SAGINAW
CHILDRENS ZOO EVENT**



**SAGINAW CHAMBER
PERC BREAKFAST
SPONSOR**



JANE SMITH, CCUE CUNA GRADUATION



**JOE FM - ROCK N ROLL
BON JOVI CONTEST**



WALLEYE FEST PARADE



COVENANT KIDS LIGHTS BEFORE CHRISTMAS

Volunteers

Board of Directors

Maurice Patterson, Chairman
Ricardo Longoria, Vice Chairman
Joseph Turner, Treasurer
Patricia Jacob, Secretary
Timothy Genovese, Director
Rayunza Chism-Hood, Director
Sharon Doolan, Director

David Rupp, Director Emeritus

Credit Committee

Lori McGarrity, Chairman
Kennie Kempter, Secretary
Stephanie Harden
Belinda Barlow-Poole
John Moton Jr.

Supervisory Committee

Dennis Browning, Chairman
Michael Foust, Secretary
Linda Burks-Jackson
Floyd Kloc
Karl Primdahl



Staff

Kochville

Jane, CFO
Jessica, Member Service Representative Supervisor
Rayne, Assistant Member Service Representative Supervisor
Tommi, CCO & Marketing
Sasha, MSR / Marketing Assistant
Lynette, Account Services Specialist
Julie, Card Services Specialist
Paula, Loan Officer

Saginaw

Frances, CEO
Julee, Manager - Saginaw Office
Lisa, Member Service Representative Supervisor
Naomi, Assistant Member Service Representative Supervisor
Michelle S, Member Service Representative
Stephanie, Member Service Representative
Leisa, Part-time Member Service Representative
Amanda, Manager - Collections
Karin, Collections Specialist
Pamela, Loan Officer
Tracey, Loan Officer
Cathy, Part-time Loan Clerk

Freeland

Kimberly, CLO
Carey, Member Service Representative Supervisor
Olena, Member Service Representative
Connie, Part-time Loan Officer
Michele, Loan Officer