

2018



# ANNUAL REPORT



Main Office - Massillon



Downtown - Massillon



Acme Fresh Market - Hillsdale Shopping Center - Canton

Welcome to the  
**60th Annual Meeting**  
April 7, 2019  
Executive Events Center

## BOARD CHAIRMAN'S REPORT

**As Board Chairman of Friends & Family Credit Union, I am pleased to report that our credit union had another successful year in taking care of our members' financial needs.**

During 2018, our assets grew by **almost \$3 million dollars** and our loan portfolio **has grown to over \$75 million dollars loaned out to our membership.** We continue to grow every year in areas where we are being most helpful to our membership. One of the most important things the Board is concerned with is as we grow, we want to make sure we serve our members in the best way possible and keep the **"relationships"** with our members that have been so crucial in our growth. We must be doing the things necessary to keep this relationship and the proof of that is our continued growth and also the results from the Readers Choice Awards in 2018. **The Readers Choice Awards**, sponsored by the Independent, have several categories that we were nominated for in 2018. For the **eighth year in a row**, we were named the **"Favorite Financial Institution"** in Western Stark County. We were also named the **"Best Downtown Business"** in Western Stark County. We also were rated very high in **"Best in Customer Service"** and **"Best Employer"** as we came in second place



in both of those categories. We must be doing something right and I am proud of the staff for doing such a great job for this membership.

In closing, I would again like to thank all of you for the support you gave your credit union in 2018. 2019 will bring a number of new challenges as we address new operational issues to keep this credit union growing. All of this is done to bring the financial services we offer to more and more people in Stark County. I also would like to say a special thank you to the staff for continuing to provide great service to our members. Also, thank you to my fellow board members for all of your work helping to make 2018 another successful year for your credit union.

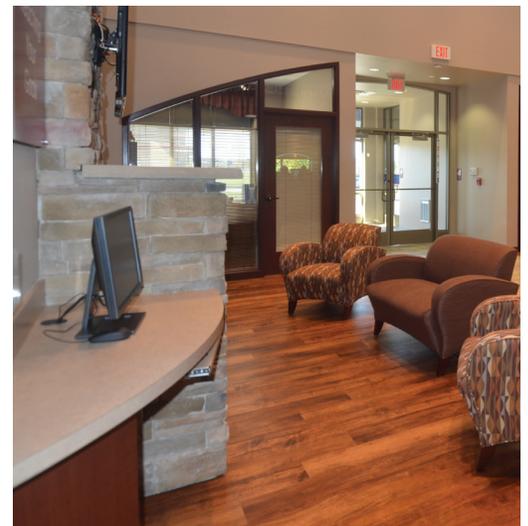
**Jim Triner, Board Chairman**

## TREASURER'S REPORT

One of the Board's responsibilities is to verify the eligibility of each new member and review the monthly financial statements pointing out key financial ratios and comparisons from the previous year. It is important that each member of the Board has an understanding of the financial reports so that sound decisions can be made at the monthly Board meetings. The Board meets for an annual strategic planning session to chart the course of the credit union once a year. The Board meets monthly and reviews financial reports that are used as decision making tools for the operations of the credit union.

I agree with the results of Maloney and Novotny, LLC audited financial statements included in your annual meeting brochure and believe that the credit union is in sound financial condition as of December 31, 2018.

**Melville "Bud" Maier, Board Treasurer**



## SERVICES

### Family Advantage

There are benefits to being Family. Family Advantage offers 4 tiers to the members of your household based on your combination of loans, deposits, and investment balances.

### Savings Accounts

Friends & Family Credit Union has a Savings Account for you! We offer a variety of accounts to meet your savings needs

- Share Savings Account
- Money Market Account
- Share Certificates of Deposit
- IRA Certificates
- Christmas Account

### Checking Accounts

We know that a good checking account is important. That's why we offer:

- Family Secure Checking with ID Protect
- Classic Family Checking
- Mastercard Debit Card
- Overdraft Privilege
- Teen Debit Card

### Mastercard® Credit Cards

### Reloadable Debit Cards

### Account Access

We know that your time is important. That's why we offer several ways for you to access your Friends & Family Credit Union accounts via telephone or Internet.

- Mobile Banking
- O.B.I.E. - Home banking
- ART - Audio Response Teller
- MC Online Access
- FREE Online Bill Pay
- Direct Deposit/Payroll Deduction
- E-statements
- Shared Branching
- Surcharge-Free ATM Network

### Loans

- Mortgage Loans
- Home Equity Line of Credit
- Home Equity Loans
- New and Used Vehicle Loans
- Boat and Motorcycle Loans
- RV Loans
- Savings Secured Loans
- Signature Loans

## FIVE YEAR FINANCIAL SUMMARY 2018-2014

BALANCE SHEET	2018	2017	2016	2015	2014
<b>ASSETS</b>					
Loans	75,393,923	74,441,244	68,501,705	63,532,670	57,136,337
Allowance for Loan Loss	(92,039)	(114,336)	(98,064)	(112,799)	(41,309)
Investments	9,812,361	8,499,700	7,557,262	12,416,449	5,888,346
Cash	902,403	916,601	940,272	758,913	945,217
Fixed & Other Assets	6,369,622	5,791,177	5,335,795	5,168,214	4,093,609
<b>TOTAL ASSETS</b>	<b>92,386,270</b>	<b>89,534,386</b>	<b>82,236,970</b>	<b>81,763,447</b>	<b>68,022,200</b>
<b>LIABILITIES &amp; EQUITY</b>					
Regular Shares	28,679,062	26,080,524	24,606,380	22,549,145	15,144,961
Checking Accounts	11,263,896	10,599,893	9,308,787	8,858,493	6,030,744
Certificates & IRA's	27,525,420	26,066,211	20,631,005	23,488,172	22,581,763
Money Markets (NOW)	18,168,519	20,005,209	20,988,534	20,411,664	18,647,394
<b>Total Deposits</b>	<b>85,636,896</b>	<b>82,751,838</b>	<b>75,534,706</b>	<b>75,307,474</b>	<b>62,404,862</b>
Other Liabilities	(51,774)	157,192	232,866	221,117	150,355
Net Worth	6,801,148	6,625,357	6,469,398	6,234,856	5,466,983
<b>Total Liabilities &amp; Net Worth</b>	<b>92,386,270</b>	<b>89,534,386</b>	<b>82,236,970</b>	<b>81,763,447</b>	<b>68,022,200</b>
<b>INCOME STATEMENT</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Income</b>					
Loan Income	2,913,003	2,846,837	2,575,358	2,323,348	2,126,384
Investment Income	157,478	93,762	52,964	44,390	60,169
Misc Operating Income	1,112,697	1,152,108	1,123,074	989,557	856,583
<b>Gross Income</b>	<b>4,183,178</b>	<b>4,092,707</b>	<b>3,751,396</b>	<b>3,357,295</b>	<b>3,043,136</b>
<b>Expenses</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Dividend Expense	487,955	332,741	270,184	300,368	268,503
Operating Expenses	3,324,733	3,478,097	3,231,857	2,796,638	2,646,126
Provision for Loan Loss	222,759	223,797	117,962	82,500	78,350
<b>Total Expenses</b>	<b>4,035,446</b>	<b>4,034,635</b>	<b>3,620,003</b>	<b>3,179,506</b>	<b>2,992,979</b>
Net Operating Income	147,731	58,073	131,393	177,789	50,158
Non-Operating Gains/(Losses)	359	107,754	20,505	9,017	616
<b>Net Income</b>	<b>148,090</b>	<b>165,827</b>	<b>151,898</b>	<b>186,806</b>	<b>50,774</b>
<b>RATIOS &amp; STATISTICS</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Number of Members	10,695	11,279	10,761	10,382	8,267
Net Worth / Assets	7.72%	7.77%	8.25%	8.01%	8.50%
Return On Assets (ROA)	0.16%	0.19%	0.19%	0.25%	0.07%
Net Interest Margin /Avg Assets	4.06%	4.38%	2.88%	2.76%	2.81%
Delinquency Ratio	0.26%	0.20%	0.40%	0.19%	0.09%
Loans / Shares	88.04%	89.96%	90.69%	84.36%	91.56%
Loans / Assets	81.61%	83.14%	83.30%	77.70%	84.00%

## 2018 CEO REPORT

### Serving our members financial needs.

In 2018, we grew again in many areas, indicative of a credit union that provides the products and services its members need in today's world. During the year, we opened a new branch, located in a grocery store. We were the first credit union in Stark County to try this concept and we are glad we did. We are able to serve our members in Perry Township and Canton along with those we serve at our Massillon locations. We have grown a great deal in the last 10 years. Serving our members is priority.



Opening the new location made sense to provide services to members living in that area. We are pleased with its success and we continue to grow in that venue.

Our credit union keeps one thing in mind every day of operation, and that is we are here to help our members solve their financial needs. We do this by going above and beyond to try to take care of their financial requests and by treating everyone as a person, not just a number. We build relationships everyday here at the credit union and that is the way to do business. That is what I am most proud of as **"We are people helping people the Credit Union way"**. We don't seek growth just

to grow; we seek growth so we can provide financial services to as many people in Stark County that we can as we want to continue to "help people". As your Board Chairman in his report shares, we continued to be

voted the **"Favorite Financial Institution"** in Western Stark County among other accolades, I believe that is validation that we are doing something right and that excites us!

We appreciate your support, for without that, we would not be able to provide the services you want and need. Along with thanking you our members, I want to thank my staff who again was **FANTASTIC** in the way they approached all the changes and challenges we had in 2018. I ask a lot from this group every year and they never disappoint. I am sure that you will all agree we are extremely fortunate to have a great group of people to help you with your



financial services.

I also want to thank your Board of Directors for helping chart the direction of this credit union. There have been many changes in the Board's responsibilities in the last ten years and it has led to much more responsibility being accepted by the Board than in the past. They have been supportive in the ideas I bring them and they are very aware of the operational moves that are made to keep this credit union meeting our members financial needs. We are very fortunate to have these dedicated people, who take this non-paid position, and serve the membership diligently.

In closing, more challenges await us in 2019 and we make these changes in order to keep your credit union where it needs to be to serve you. All of the changes we have had in the last 10 years have been focused on that goal. That goal is what drives us to be your primary financial institution.

**Nick Langenfeld, Chief Executive Officer**

#### BOARD OF DIRECTORS

James Triner, Chairman   Mike Loudiana, Vice Chairman   Melville "Bud" Maier, Treasurer   Gary Lucas, Secretary   Bill Hamit, Timothy A. Ross, Michael Ziegelhofer, Directors



[www.friendsandfamilycu.com](http://www.friendsandfamilycu.com)   330.832.1371



YOUR SAVINGS INSURED TO \$250,000 PER ACCOUNT  
AMERICAN SHARE INSURANCE  
This institution is not federally insured, and if the institution fails, the Federal Government does not guarantee that depositors will get back their money.  
MEMBERS' ACCOUNTS ARE NOT INSURED OR GUARANTEED BY ANY GOVERNMENT OR GOVERNMENT-SPONSORED AGENCY.

