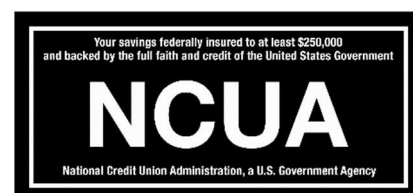




# Fifty-Third Annual Meeting

## February 8, 2021





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## MISSION STATEMENT

To be the financial resource members TRUST!

Trustworthy

Reliable

Understanding

Spirited

Timely



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## **ANNUAL MEETING AGENDA**

- Call meeting to order with a prayer at 12:00 P.M.
- Read and approve the minutes of the February 2020 annual meeting.
- Report of the Board of Directors - Suzanne Leicht
- Report of the President/CEO - Ann Hynes
- Report of the Chief Operating Officer - Matthew Amesbury
- Report of the Supervisory Committee
- Report of the Chief Financial Officer - Brenda Brown
- New Business - Elections
- Questions and Comments
- Adjournment



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## PRESIDENT'S REPORT

Ann Hynes

A year ago, I was reflecting on 2019 and eagerly looking forward to 2020 with excitement and optimism. I thought about the lessons learned, and I had great expectations for opportunities in the new year. And then, like everyone else, less than three months into the year all of my expectations were blown out of the water. Everything we knew changed over the course of a few weeks. We had a plan for a pandemic, and now we know it was just a starting point. By now, we've learned there is no playbook for times like these, but we've also all learned an incredible amount this past year that I believe we can apply in 2021 and far beyond.

Here are my top two lessons for the year:

### 1. People first

- No matter what's going on around us, our No. 1 focus must be on our people, starting with our own employees.
- The principle of "people first" took many forms this year. For us, it meant more communication to a workforce that is managing stress and uncertainty in a whole new world of work.
- We've learned to pause often to take stock of all that is impacting our employees' well-being. We've also learned the importance of adjusting accordingly to support them, whether through greater communication, flexible time off to recharge, or providing support mechanisms to work from home.
- We found that many of our employees were so diligent about caring for those they serve that we had to remind them of the importance of self-care.
- Taking care of our employees first enables us to then pivot to ensure we are there for our members when they need us the most. Care for our employees holistically, then they'll be better prepared to serve others.

### 2. Agility and resilience

It became clear this year that we must lead with agility. Our founding principle of "people helping people" hasn't changed, and it won't change. As we have learned since this time last year, everything around us can shift drastically in an instant. The only way we can fulfill our mission is to remain agile amid evolving circumstances and pivot our attention when needed.

We had to accelerate our efforts, but that couldn't mean just layering this work on top of everything else that was planned. It meant clearing the way to focus on user-centric digital experiences. Since then, we've invested in digital through our partnerships with COCC, CPI Card Group and Fiserv. This was achieved with the help of a grant from Alloya Corporate and the New York Credit Union Foundation.

By recognizing the needs of those we serve – including our employees – and keeping a pulse on how those needs change, our priorities became clear. Agility and resilience are essential as we live through a pandemic.

I could never have predicted the lessons we'd learn in 2020. However, when looking ahead to a new year, I'm hopeful for a brighter future. As we apply the lessons we learned, we will not just make it through, but we will come out stronger together.



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**CHIEF OPERATIONS OFFICER**

Matthew Amesbury

2020 was a challenging year in lending for SPXFCU. We closed the year with over \$55 million in loans. 26% of our loan portfolio was in Mortgages, 19% in other real-estate (Home Equity loans) and 36% in auto loans. Overall, we underwrote over 1,600 loans, comprised of both “in-house” and “indirect” loans. For in-house loans, we approved over 600 applications, while an additional 119 were denied and 37 withdrawn. For indirect loans, we funded 254 loans totaling \$5.7 million.

SPXFCU now offers a fixed rate mortgage option which we are all excited about. We expect this new product to drive up our loan volume.

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**SUPERVISORY COMMITTEE REPORT**

The Supervisory Committee has two general goals:

1. To ensure that management’s financial reporting objectives have been met.
2. To ensure management’s practices and procedures safeguard members’ assets.

To meet these goals, the Supervisory Committee must establish and maintain effective internal controls, ensure accurate accounting records, establish policies/control procedures and implement regulatory requirements.

The Supervisory Committee is pleased to report that the records and books of the Credit Union have been found to be accurate and properly maintained. Annually, internal controls are examined by our independent CPA and the National Credit Union Examiner for safety and soundness.

If you have any questions regarding the audits, wish to inquire about credit union policies or report a problem, you may contact the Supervisory Committee at 585-750-3177 or PO Box 24864 Rochester, NY 14624.

The Committee: Patrick Brown, Gary Prokop and Michael Quinn



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## THE TREASURER'S REPORT

Brenda Brown

Although 2020 was a challenging year, the credit union continues to have a strong Net Worth of 9.54%. Assets grew 16.21% in 2020 due to the stimulus funds granted because of the pandemic. Operating expenses remained low at 2.61% of average assets and our Return on Assets ended the year at .30%. The goal for 2021 will be to grow our loans, funding them from maturing investments in order to control asset growth while we continue in this low-rate environment. We continue to look for new ways to serve our members and look forward to serving you in 2021.

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## THOSE WHO SERVED IN 2020

### **BOARD OF DIRECTORS**

### **Term Expires**

Suzanne Leicht, President

2-23

Robert Ebertz

2-23

Thomas Thaney

2-22

Bob Malone

2-22

Gary Poplawski

2-21

Maryalice Gillette

2-23

Erin O'Reilly

2-22

### **SUPERVISORY COMMITTEE**

Michael Quinn, Chairperson

Patrick Brown

Gary Prokop

## INCOME STATEMENT

### Income Statement December 31, 2020

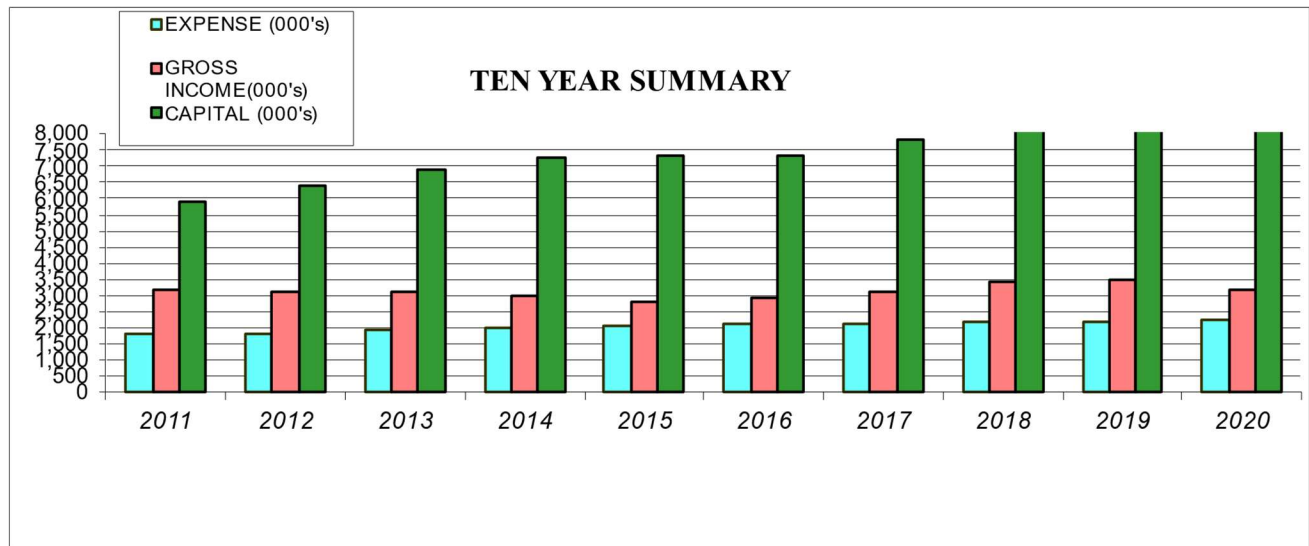
#### INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

<b>OPERATING INCOME</b>	<b>SPX \$</b>	<b>SPX %</b>
Income from loans	2,561,138	80.39%
Investment income	301,540	9.47%
Fee income	140,375	4.41%
Other income	182,719	5.74%
<b>TOTAL GROSS INCOME</b>	<b>3,185,772</b>	<b>100.00%</b>

<b>OPERATING EXPENSES</b>	<b>SPX \$</b>	<b>SPX %</b>	<b>PEER %</b>
Employee compensation	1,143,019	51.60%	50.80%
Travel & conference	3,616	0.16%	0.70%
Office occupancy	66,134	2.99%	6.80%
Office operations	257,671	11.63%	20.10%
Promotional	29,276	1.32%	2.30%
Loan servicing	328,966	14.85%	6.80%
Professional services	308,835	13.94%	9.80%
Operating Fees	21,517	0.97%	0.70%
Miscellaneous expense	56,302	2.54%	2.00%
<b>TOTAL OPERATING EXPENSES</b>	<b>2,215,335</b>	<b>100.00%</b>	<b>100.00%</b>
Provision for loan loss	160,000		
<b>NET INCOME BEFORE DIVIDENDS</b>	<b>810,437</b>		
Dividends	554,906		
Loss on sale of Assets	1,266		
Stabilization	0		
<b>NET INCOME AFTER DIVIDENDS</b>	<b>254,265</b>		

## INCOME STATEMENT (continued)

### Income Statement December 31, 2020



YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSE (000's)	1,774	1,779	1,952	1,988	2,038	2,127	2,101	2,146	2,172	2,215
GROSS INCOME(000's)	3,170	3,127	3,097	2,957	2,824	2,946	3,134	3,409	3,463	3,186
CAPITAL (000's)	5,879	6,402	6,891	7,286	7,351	7,361	7,851	8,520	8,853	9,039

\*(Chart in the thousands)



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## BALANCE SHEET

### Balance Sheet December 31, 2020

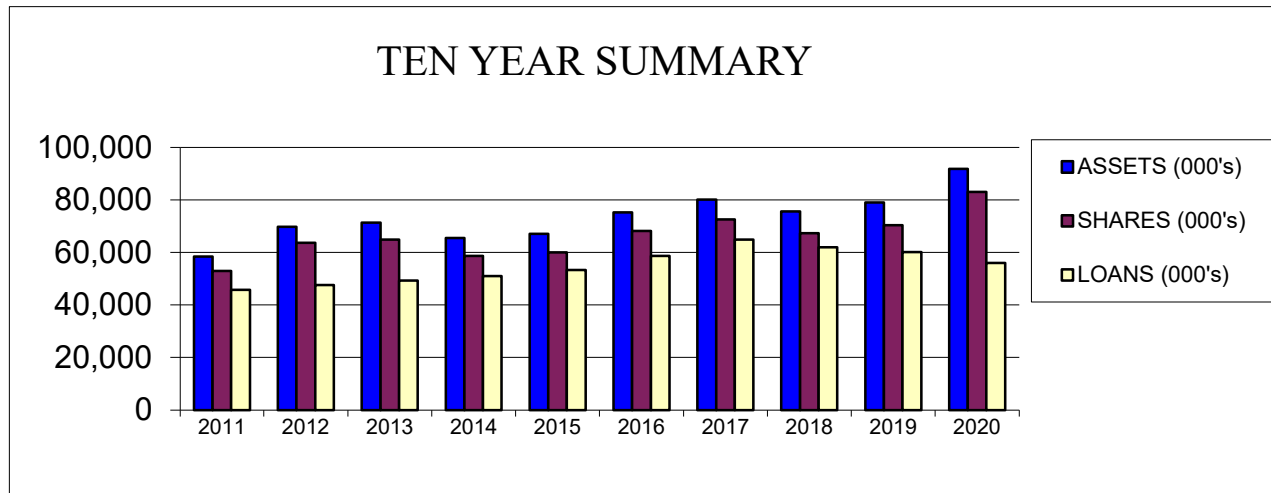
#### ASSETS

Loans	55,954,995
Allowance for loan loss	-285,388
Investments	32,116,311
Cash	678,138
Fixed Assets	454,396
Other	2,850,814
<b>TOTAL ASSETS</b>	<b>91,769,266</b>

#### LIABILITIES

Accrued dividends	0
Other	
liabilities	74,990
Shares and deposits	82,940,622
Reserves	930,015
<b>UNDIVIDED EARNINGS</b>	<b>7,823,640</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>91,769,266</b>

## LOANS



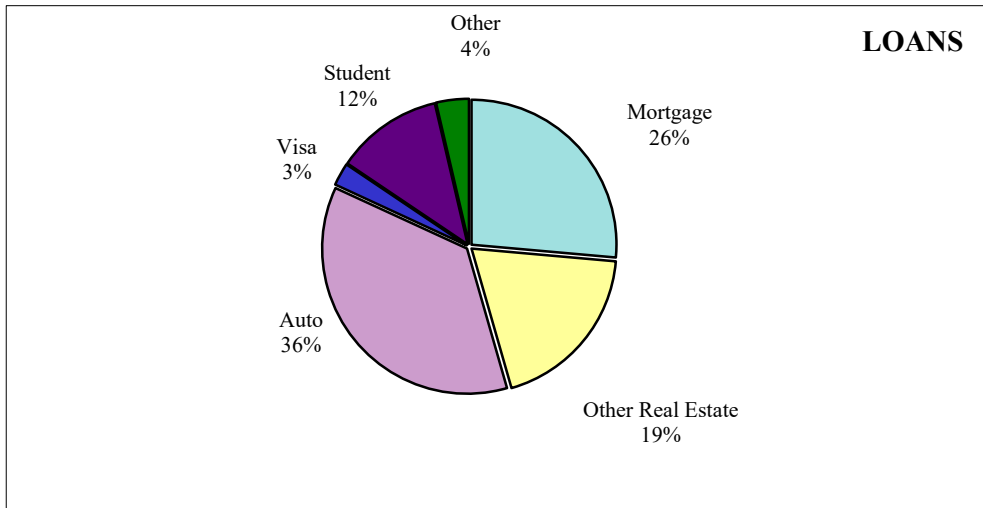
\* (Chart in the thousands)

### Loans December 31, 2020

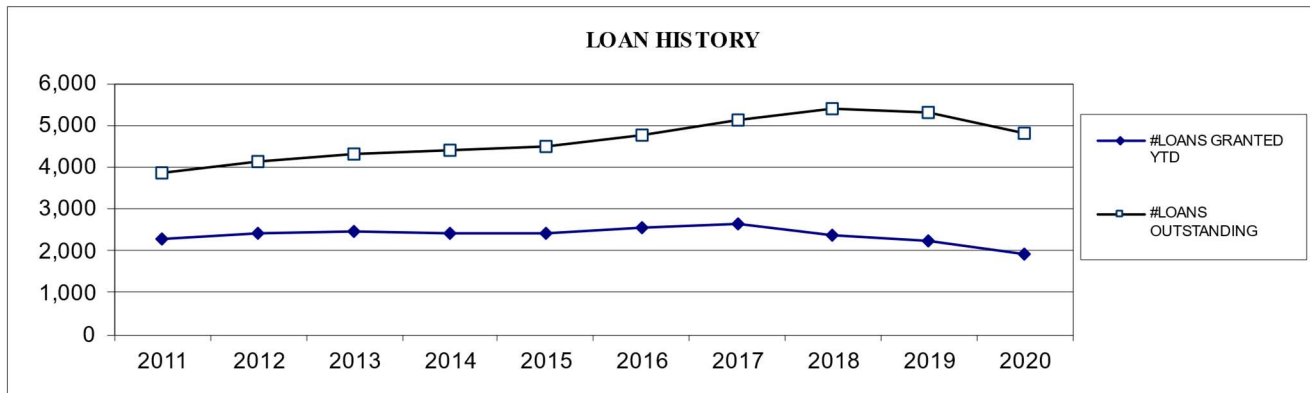
#### LOAN DETAIL

Mortgage	14,649,178	26%
Other Real Estate	10,623,897	19%
Auto	20,447,554	36%
Visa	1,412,608	3%
Student	6,618,635	12%
Other	2,203,123	4%
<b>Total</b>	<b>55,954,995</b>	<b>100%</b>

## LOANS (continued)



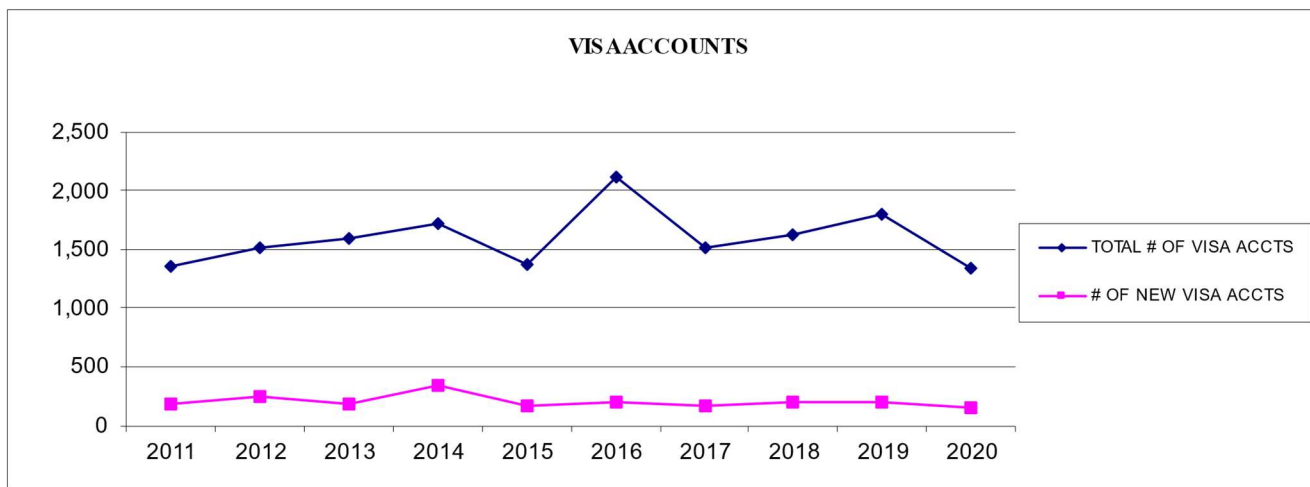
### Loans December 31, 2020



YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
#LOANS GRANTED YTD	2,282	2,423	2,437	2,424	2,413	2,529	2,629	2,350	2,225	1,938
#LOANS OUTSTANDING	3,864	4,115	4,308	4,392	4,487	4,746	5,107	5,383	5,295	4,803
LOAN BALANCE (\$000's)	45,779	47,554	49,259	50,959	53,337	58,662	64,865	61,880	60,127	55,955

## LOANS (continued)

### VISA Accounts December 31, 2020



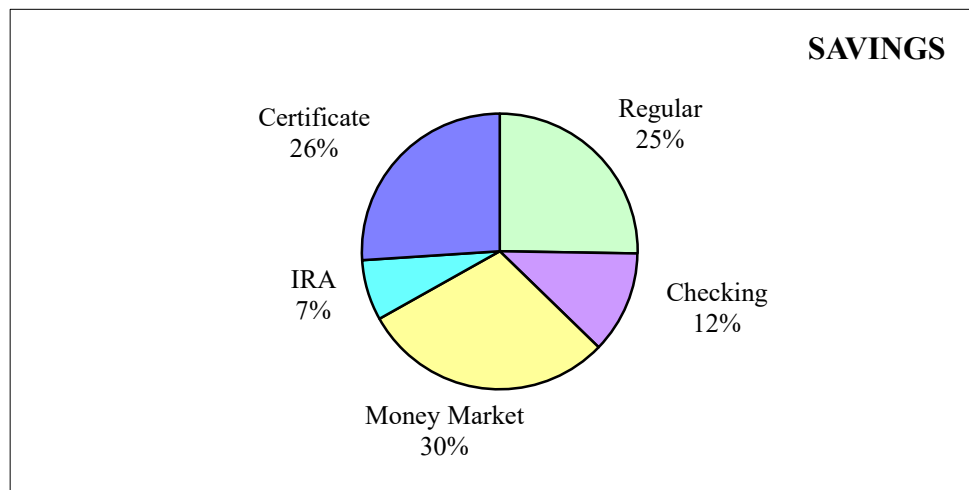
YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
# OF NEW VISAS	187	253	189	343	169	196	174	190	203	154
TOTAL # VISAS	1,348	1,505	1,596	1,717	1,373	2,112	1,506	1,624	1,796	1,330
BALANCE	1,605,266	1,715,150	1,792,538	1,770,303	1,746,603	1,656,387	1,670,780	1,561,659	1,696,604	1,412,608

## SAVINGS

### Accounts December 31,2020

#### SAVINGS DETAIL

Regular	20,948,181	25%
Checking	9,932,907	12%
Money Market	24,593,476	30%
IRA	5,896,782	7%
Certificate	21,569,275	26%
<b>Total</b>	<b>82,940,622</b>	<b>100%</b>



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## ELECTIONS



### Board of Directors, One Position

Gary Poplawski - **Incumbent**



## **MINUTES OF THE 2020 ANNUAL MEETING**

**FEBRUARY 03, 2020**

**Credit Union Lobby**

**Attendance:** 16 members, staff and board

Mike Redick opened the meeting with a prayer at 1:30 PM.

Motion by B. Malone to dispense with the reading of the 2019 Annual Meeting minutes, 2<sup>nd</sup> by M. Gillette, approved by hands, carried.

Report of the Board of Directors: S. Pietropaolo, Chair welcomed the members present and introduced the board, staff and speakers.

### **Report of the President – CEO Ann C. Hynes**

In 2019 the credit union utilized the ALM process for planning, controlling and monitoring assets, liabilities and capital to achieve financial goals and control risk.

In June 2019, Ann Hynes was appointed Chairwoman of the Board for the New York Credit Union Association. This organization is a tremendous help to SPXFCU. We utilize the legal, compliance and education components offered by them.

We continue to research and implement products and services to increase member satisfaction. In 2020 we plan to upgrade our card program with debit card instant issue. We believe this will be a vital improvement to our services.

### **Report of the Supervisory Committee – Chair Pat Brown**


Supervisory committee reports that the records and books of the credit union have been reviewed by an independent CPA and are accurate and properly maintained. Full report provided in the annual report.

### **Report of the Financial Officer – CFO Brenda Brown**

- Net worth remains strong at 10.76%
- Assets grew 4.46%.
- Operating expenses remained low at 2.81% compared to peer at 3.74%.
- Full report provided in the annual report

### **Report of the Loan Committee – Chief Operations Officer - Matt Amesbury**

- Over \$60 million in outstanding loans.
- Underwrote over 2,900 loans comprised of both in-house and Indirect.

- 
- In 2019 we funded 334 loans insured by Lendpro.
  - Full report provided in the annual report.

### **New Business**

Motion from the nomination committee to re-elect Robert Ebertz, Maryalice Gillette and Sue Pietropaolo to the Board, 2<sup>nd</sup>: B. Malone, approval by hands, carried.

Ann Hynes did a remembrance of Ken Shelter who was a great asset to the credit union for many, many years.

Motion to adjourn the annual meeting by M. Gillette, 2nd: E. O'Reilly, approval by consent, meeting adjourned at 1:36PM, February 03, 2020.