

# *2021 Annual Report*



*Federally Insured by NCUA*

# Leadership Message

Empower Federal Credit Union's performance and growth for 2021 continued to be positive even during the ongoing challenges faced due to the pandemic. The Board of Directors once again declared a giveback to its member-owners. The giveback was a record high \$4.5 million and was divided between both savers and borrowers of the credit union. Over the last 14 consecutive years, Empower has given back a total of \$44 million to its membership.

We continue to perform well compared to our peers. Total net loans outstanding reached record levels that increased \$197.5 million to \$1.950 billion or 11.3% increase over last year. The number of loans originated equaled 37,804 for an amount of \$761 million in total for the year. Deposits and assets also reached new highs as deposits increased \$419.1 million to \$2.561 billion or 19.6% and assets also increased \$523.8 million to \$2.939 billion or 21.7%. Membership stood at approximately 237,000.

In our continued support of the non-profit charitable organizations within our field of membership, sponsorships and donations exceeded \$145,000 to over ninety charities. In addition, Empower employees donate their time to teach a variety of financial education programs to both area schools and associations. The credit union philosophy of "people helping people" sets us apart from other financial institutions in both giving of monetary support and volunteerism.

Since the inception of the SBA Paycheck Protection Program (PPP), we provided over \$31 million in low interest loans to over 800 small businesses, which helped those businesses provide employment to thousands of employees across New York state. We worked diligently to maintain safety for our employees and members during the pandemic, while at the same time continue to maintain high levels of service for our membership. All of us at Empower would like to thank the membership for your patience through this pandemic.

To increase our mobile services, Zelle was introduced to provide a fast, safe, and easy way to send money to friends, family, and others you trust, using only your U.S. mobile number or email address. We have offered the Homebuyer Dream Program to assist our members in obtaining their goal of home ownership. In addition, we introduced a variety of financial wellness loan products to assist with household emergencies, predatory debt refinancing and building credit. In October of 2021 we completed the merger with Horizons Federal Credit Union and welcomed approximately 12,500 members to the Empower family. The merger of Empower and Horizons Federal Credit Unions joined two institutions that share a strong commitment to their membership and community. Most importantly, this merger will offer expanded services to Horizons FCU members and expanded branch and ATM access to Empower FCU members.

In March of 2022, John Wakefield, President/CEO announced his retirement. He dedicated his professional life for over 23 years to the membership and employees of Empower. During his tenure, we grew from \$150 million in assets to \$3 Billion asset size. In addition, the credit union has been named Best Companies to Work for in NYS, Forbes Best-In State, and received the Bauer Financial five-star rating for financial strength and stability. We are thankful for his service to the credit union and wish him and his family well as he begins this new chapter. The Board named Brenda Carhart as Interim President/CEO. Carhart has 38 years of credit union experience and prior to this appointment was the Senior Vice President/Chief Lending Officer of Empower Federal Credit Union.

On behalf of the Board of Directors, volunteers, and employees of Empower, we appreciate the confidence you have placed upon us. Your participation as member-owners has created a growing, dynamic, exciting, and strong credit union. As stewards of Empower, we look forward to serving you and in meeting all your financial needs both now and in the future.

Respectfully Submitted,

*Bob Cummings*, Chair, Board of Directors  
*Brenda Carhart*, Interim CEO/President

# *Supervisory Committee Report for Year-End 2021*

The objectives of the Supervisory Committee include the following:

- ▶ Determine that established internal controls are effectively maintained and adequately protect the credit union and its members.
- ▶ Determine that accounting records and reports are prepared and accurately reflect credit union operations.
- ▶ Ensure that the policies and procedures of each functional department are adhered to.

The Supervisory Committee accomplishes these objectives in three primary ways:

- ▶ Oversight of the Internal Audit Department including reviews of Internal Audit reports and monitoring and tracking of audit recommendations.
- ▶ Engaging an independent public accounting firm to complete a comprehensive year-end audit of the credit union's financial statements.
- ▶ Review of examinations performed by the NCUA's Federal Examiners.

The firm of Firley, Moran, Freer & Eassa, P.C. performed an audit of the financial statements of Empower Federal Credit Union, for the year ending December 31, 2021. The audit was completed in conformity with generally accepted auditing standards. Empower received an unqualified opinion.

I would like to thank the Internal Audit Department for their efforts during the past year in assisting the Supervisory Committee to reach their objectives.

Respectfully Submitted,

*Dave Cusano*, Chairman - Supervisory Committee

# Treasurer's Report

Empower Federal Credit Union had another strong year of financial performance. As we navigated through a global pandemic that impacted all of us for much of 2021 and 2020, our healthy financial results combined with our strong net worth base provided Empower the ability to continue to deliver superior value to our members.

Earnings in 2021 before the member giveback were \$37.0 million, an \$18.0 million, or 94%, increase over 2020. Our overall performance was very positive, and we were able to declare a member giveback of \$4.5 million. This represented a 12.5% increase over 2020 and the fourteenth consecutive year we've awarded a year-end interest rebate and bonus dividend. Net income after the member giveback was \$32.4 million. Non-Interest Income increased \$11.0 million or 20.8% to \$63.6 million. This demonstrates strong product usage by our members. Non-interest expense also increased \$8.6 million or 9.1% as we continue to make investments in the credit union to ensure we maintain high levels of service.

Loans to members increased by \$201.8 million or 11.3% in 2021 and deposits also increased by \$419.1 million, or 19.6%. This growth was concentrated in "core deposits", or share drafts, regular shares, and money market shares. Total assets grew \$523.8 million or 21.7% to \$2.94 billion.

One of the most important metrics is net worth. The ability to grow net worth and maintain an appropriate level is critical to a growing financial institution. Empower ended 2021 with net worth of \$274.7 million, a \$46.1 million increase over 2020. Our net worth as a percentage of total assets is a very healthy 9.35% and was 9.47% one year ago. This provides a proper level of safety and soundness as well as the capacity to offer new and enhanced products and services. We continually monitor and evaluate this position to ensure continued safety and soundness while balancing the needs of our members.

Empower Federal Credit Union continues to maintain the financial strength to ensure our members' trust and continued participation in our products and services. Empower is financially secure and well-positioned for future growth and well-prepared to continue to deliver superior value to our members.

Respectfully submitted,

*Jan Mileskey*, Treasurer

*Chip Harwood*, SVP/Chief Financial Officer

# Statements of Financial Condition for Empower Federal Credit Union as of December 31, 2021

<b>Assets:</b>	<b>2021</b>	<b>2020</b>
Cash and Cash Equivalents	394,718,000	338,529,000
Total Investments	481,401,000	219,773,000
Total Loans & Leases	1,983,237,000	1,781,470,000
Less: Allowance for Loan & Lease Losses	(32,822,000)	(28,527,000)
Net Loans	1,950,416,000	1,752,943,000
Total Other Assets	112,027,000	103,566,000
<b>Total Assets</b>	<b>2,938,561,000</b>	<b>2,414,811,000</b>
<b>Liabilities:</b>		
Notes Payable	63,664,000	3,756,000
Total Liabilities	41,162,000	37,699,000
Total Member Shares	2,561,154,000	2,142,061,000
Member Equity	274,675,000	228,568,000
Unrealized Gains (Losses) on Investments	(2,094,000)	2,727,000
<b>Total Liabilities, Shares and Equity</b>	<b>2,938,561,000</b>	<b>2,414,811,000</b>

# Statements of Income for Empower Federal Credit Union for the Year Ended December 31, 2021

Income and Expense	2021	2020
<b>Interest Income:</b>		
Interest on Loans	86,931,000	86,508,000
Less: Interest Refunded	(3,661,000)	(3,217,000)
Income on Investments	4,382,000	3,741,000
<b>Total Interest Income</b>	<b>87,652,000</b>	<b>87,032,000</b>
<b>Interest Expense:</b>		
Dividends on Shares	8,765,000	12,582,000
Bonus Dividend	890,000	805,000
Interest on Borrowed Money	47,000	143,000
<b>Total Interest Expense</b>	<b>9,702,000</b>	<b>13,530,000</b>
<b>Net Interest Income</b>	<b>77,950,000</b>	<b>73,502,000</b>
Provision for Loan and Lease Losses	8,083,000	16,436,000
<b>Net Interest Income after Provision for Loan Losses</b>	<b>69,867,000</b>	<b>57,066,000</b>
<b>Total Non-Interest Income</b>	<b>63,648,000</b>	<b>52,692,000</b>
<b>Non-Interest Expense:</b>		
Compensation and Benefits	49,762,000	46,318,000
Office Operations and Occupancy	18,355,000	18,122,000
Loan Servicing	10,611,000	11,175,000
Professional and Outside Services	21,692,000	16,546,000
Education and Promotion	2,891,000	2,574,000
<b>Total Non-Interest Expense</b>	<b>103,311,000</b>	<b>94,735,000</b>
<b>Income (Loss) before Non-Operating Income (Loss)</b>	<b>30,205,000</b>	<b>15,023,000</b>
<b>Non-Operating Income (Loss):</b>		
Gain on Credit Union Merger	2,221,000	-
(Loss) Gain on Disposal of Property and Equipment	-	-
<b>Net Income (Loss)</b>	<b>32,426,000</b>	<b>15,023,000</b>



[www.empowerfcu.com](http://www.empowerfcu.com)  
800.462.5000

## Locations

### AUBURN

65 State Street  
Auburn, NY 13021

### BALDWINSVILLE

15 East Genesee Street,  
Suite 110  
Baldwinsville, NY 13027

### BINGHAMTON

120 Main Street  
Binghamton, NY 13905

### BINGHAMTON

55 Exchange Street  
Binghamton, NY 13901

### CANANDAIGUA

400 Fort Hill Avenue  
Building 7  
Canandaigua, NY 14425

### CENTRAL SQUARE

3056 East Ave/Route 49  
Central Square, NY 13036

### CHEEKTOWAGA

2690 Walden Avenue  
Cheektowaga, NY 14225

### CHITTENANGO

278 Genesee Street  
Chittenango, NY 13037

### CICERO

5791 Route 31  
Cicero, NY 13039

### EAST SYRACUSE

900 Kinne Street  
East Syracuse, NY 13057

### ENDWELL

519 Hooper Rd.  
Endwell, NY 13760

### ELMIRA

351 N. Main Street  
Elmira, NY 14901

### FAIRMOUNT

3700 W. Genesee Street  
Syracuse, NY 13219

### FAYETTEVILLE

7320 E. Genesee Street  
Fayetteville, NY 13066

### FULTON

722 West Broadway  
Fulton, NY 13069  
520 South Second Street  
Fulton, NY 13069

### JOHNSON CITY

760 Harry L. Drive  
Johnson City, NY 13790

### LAKELAND

963 State Fair Blvd  
Syracuse, NY 13209

### LIVERPOOL

7670 Morgan Road  
Liverpool, NY 13090

### NORTH MEDICAL CENTER

5112 West Taft Rd. Suite B  
Liverpool, NY 13088

### OSWEGO

100 George Street  
Oswego, NY 13126

### PALATINE BRIDGE

121 Price Chopper Plaza  
Palatine Bridge, NY 13428

### SYRACUSE

515 Erie Boulevard West  
Syracuse, NY 13204

800 Irving Avenue\*  
(VA Medical Center)  
Syracuse, NY 13202

Green Hills Farms  
Grocery Store  
5933 S. Salina St,  
Syracuse, NY 13205

### UTICA

1928 Genesee Street  
Utica, NY 13502

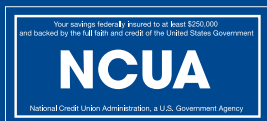
### VESTAL

3701 Vestal Parkway East  
Vestal, NY 13850

### WESTERN LIGHTS

4729 Onondaga Blvd.  
Syracuse, N.Y. 13219

*\*Location not open  
to the public.*



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