



***AmFirst***

AMERICA'S FIRST  
FEDERAL CREDIT UNION

**2020 Annual Report**

# Chairperson's Report

Cathy Antee, Chairperson of the Board

The unanticipated disruption from the global COVID-19 pandemic, protests against social injustice and financial uncertainties presented challenges to our daily lives in 2020 in ways that most of us never imagined, including work, school, worship, and even providing for basic needs for our families. Disruption has brought both innovation and progress to allow us to move forward at a rapid pace. As the path forward becomes clearer with the development of vaccines reporting high efficacy against COVID-19 and a commitment to foster an environment of diversity, equity and inclusion, America's First will continue to provide a safe and inclusive environment for our members and our employees.

As we look back to 2020, previous actions taken by America's First to provide enhancements for our members were fundamental to our successful response when facing a very challenging environment. Due to this foresight, America's First was well positioned to maintain service levels with our upgraded website and mobile banking functionality, remote deposit capture and ITM/Video tellers, and the ability to close most loans using electronic signatures.

America's First took progressive actions to provide for the safety and well-being of our employees and members. When ordered by the Governor to close our lobbies, our staff found new and innovative ways to serve our members such as opening accounts and closing loans in the drive-through teller windows and curbside service. Additionally, we were able to quickly transition to allow employees to work remotely and shifted to virtual meetings. The staff also acted quickly to gain approval to offer the CARES Act PPP loans that many of our members were unable to obtain from other institutions. Our staff also provided an unprecedented number of loan modifications and forbearances to assist those members experiencing financial hardships.

As we move forward, we will continue to take the lessons learned from 2020 to shape your credit union. America's First is committed to effectively and efficiently meeting the needs of our members however and whenever they choose to be served.

It has been an honor and a privilege to serve as your Chairperson and to be a member of a team that remains focused on helping our members meet their financial needs and goals. On behalf of my fellow Directors, thank you for your membership and confidence in our credit union. We are looking forward to the future and continuing to serve you.



Board of Directors (Top row, L to R):  
Cathy Antee, Chairperson;  
Ross Mitchell, Vice Chair;  
Melanie McNary, Treasurer;  
(2nd row, L to R):  
Dr. Sara Robicheaux, Secretary;  
Eric Housh; and James Momenee  
(3rd row): Kattie Voss

# Supervisory Committee Report

James Momenee, Chairman

In accordance with the Federal Credit Union Act, the Supervisory Committee is given the responsibility to determine whether the operations of the credit union are carried out in compliance with the Act and the regulations of the National Credit Union Administration.

The Supervisory Committee meets regularly with Risk Management and Audit Services Staff as well as external auditors to review progress on the audit plan, discuss audit results and address the policies and procedures supporting the internal control systems of the credit union. The Board of Directors reviews a report from the Supervisory Committee each month.

Supervisory Committee members are appointed by the Board of Directors annually and serve on a volunteer basis. Members of the committee are selected based on their experience and expertise in the areas of business, finance and accounting.

Mauldin & Jenkins, LLC, an independent certified public accounting firm, was selected by the Supervisory Committee to conduct an audit of the financial statements of America's First Federal Credit Union (AmFirst) for the calendar year 2020. Upon review of their audit report, the Supervisory Committee is proud to report that America's First received an unqualified opinion, meaning the financial statements as presented by management fairly represent the financial condition of the credit union as of December 31, 2020. This opinion is the highest attainable and reflects very favorably on the financial stewardship of the Board of Directors and the AmFirst Management Team.



Supervisory Committee  
(From top down):  
James Momenee, Chairman  
Barney Hatten  
Jim Dorris

## Loan Officers' Report

It is doubtful that anyone was sad to see 2020 come to an end. Our community experienced change, disruption, fear, job loss, and economic volatility. Our members, individuals and businesses alike, felt the uncertainty of these unprecedented events. America's First has long believed that our business is only as good as the health of the communities that we serve, and our actions are guided by that principle. We adapted quickly to help our membership by offering waived fees, skip-a-pays, extensions, and modifications on our existing loans. We adapted our processes for obtaining loans to allow for remote closings and the use of e-signatures. This was important for our membership and staff to reduce any potential risks for the involved parties. We focused daily on handling each request in a fair and equitable manner, treating each circumstance with the utmost importance, all while delivering prompt first-class service.

During 2020, our team granted 19,565 loans with a related volume of \$506,655,498. Those loans were for cars, trucks, boats, motorcycles, and recreational vehicles. We opened 3,242 new unsecured loans and credit cards and closed 1,353 real estate loans. Our Business Services area continued our planned growth by granting 316 loans totaling over \$9,678,000. Although not a previously approved SBA lender, we are especially proud of our staff for obtaining a fast-tracked approval resulting in \$2,668,000 Paycheck Protection Program (PPP) loans to aid area small businesses during the Coronavirus crisis. For many businesses, these loans became a lifeline to stay open.

Indeed, 2020 was an interesting year for all of our lending programs. Although we fully expect these challenges to continue well into 2021, our team will continue our commitment to find innovative ways to ensure that we meet the needs of our members. Working together, we can meet those challenges and build upon that success. We are grateful for our membership and our ability to respond to them in a time of need and we are confident that better days are just ahead.

# Statements of Financial Condition

ASSETS	2020	2019
Cash and Cash Equivalents	\$ 467,663,201	\$ 109,617,271
Loans to Members-net	1,261,282,876	1,324,543,723
Investments	155,555,765	168,390,263
Property and Equipment	62,732,408	62,686,686
Other Assets	19,866,384	17,744,911
<b>TOTAL ASSETS</b>	<b>\$ 1,967,100,634</b>	<b>\$ 1,682,982,854</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Dividends and Interest Payable	\$ 461,237	\$ 745,808
Accrued Expenses and Other Liabilities	18,145,004	14,579,101
Members' Shares and Deposits	1,737,808,725	1,470,040,024
<b>TOTAL LIABILITIES</b>	<b>\$ 1,756,414,966</b>	<b>\$ 1,485,364,933</b>
Regular Reserves	9,613,040	9,613,040
Undivided Earnings	201,072,628	188,004,881
<b>TOTAL MEMBERS' EQUITY</b>	<b>\$ 210,685,668</b>	<b>\$ 197,617,921</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 1,967,100,634</b>	<b>\$ 1,682,982,854</b>

# Statements of Income

INCOME	2020	2019
Loan Interest Income	\$ 49,053,670	\$ 48,197,574
Investment Income	3,074,894	5,565,592
Fees and Other Income	28,937,103	31,301,784
<b>TOTAL INCOME</b>	<b>\$ 81,065,667</b>	<b>\$ 85,064,950</b>
<b>EXPENSES</b>		
Compensation & Benefits	28,074,992	27,356,830
Office Operations and Loan Servicing	17,020,339	16,002,100
Occupancy	3,480,986	3,215,498
Other	5,367,607	5,905,749
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 53,943,924</b>	<b>\$ 52,480,177</b>
<b>INCOME FROM OPERATIONS</b>	<b>\$ 27,121,743</b>	<b>\$ 32,584,773</b>
Provision for Loan Losses	5,162,226	4,181,495
<b>INCOME BEFORE CAPITAL COSTS</b>	<b>\$ 21,959,517</b>	<b>\$ 28,403,278</b>
Dividend and Interest Expense	9,781,672	11,299,907
<b>NET INCOME</b>	<b>\$ 12,177,845</b>	<b>\$ 17,103,371</b>

Years Ended December 31, 2020 and December 31, 2019

These condensed financial statements are derived from the credit union's audited financial statements, which are prepared in accordance with Generally Accepted Accounting Principles (GAAP). To receive a detailed report of the company's financial statements, including the auditor's opinion, write to: America's First Federal Credit Union, Marketing Department, 1200 4th Avenue North, Birmingham, Alabama 35203.

# Management Report

The challenges posed by the COVID-19 pandemic were tremendously impactful to all of us during 2020. So many things changed in such a short period of time and the impact of the health crisis upended almost every aspect of our daily lives. 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. We also had to respond expeditiously and compassionately to members who were facing financial hardships due to illness or job loss and determining how to continue delivering the products and services our members needed in this critical time.

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 2020. 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.

Even during a difficult year, our credit union flourished on many fronts. Over 16,500 new members joined America's First in 2020. New loans exceeded \$506 million, and we opened 12,823 new checking accounts. To benefit our small business members, we provided 185 PPP loans for \$2.6 million, in many cases helping these businesses stay open and retain their employees. Use of our digital service channels exploded with 2.1 million online banking transactions, 51,310 ITM transactions, and over 166,000 remote deposit capture transactions. Our members truly embraced our technology offerings that allowed them to do business with us safely and securely.

It was critically important for us to respond to those members who experienced financial hardships due to the pandemic. Over the course of the year, we assisted more than 2,500 members with loan modifications that included temporarily suspended or reduced payments, interest reductions, and fee suspensions. These actions not only provided cashflow relief for our members but also helped preserve their credit status. From a global perspective, we eliminated nearly \$700,000 in fees and charges over the course of the year, allowing that money to remain in our members pockets at a time when they needed it most.

As a community credit union, part of our mission is to be active participants in those communities we serve. The pandemic did not allow our employees to volunteer in our communities as we would normally do so they opted to organize a food drive to support numerous food pantries throughout our branch network. During the month of July, we collected over 20,000 food items and \$25,675 in donations from our very gen-



America's First Executive Team (L to R): Alan Stabler, EVP-CAO General Counsel; Audra Weber, SVP- Chief Operating Officer; Phil Boozer, SVP-Chief Sales Officer; Bill Connor, President/CEO; Kevin Morris, SVP-Chief Retail Officer; Teresa Owens, SVP-Chief Financial Officer; Mike Northrup, SVP-Chief Delivery Systems Officer

erous membership and benefit partners. The Community Foodbank of Central Alabama used the funds and food items collected to restock numerous local food pantries, ultimately providing over 17,000 meals for those in need.

In summary, I am extremely proud of the work we did in 2020. Our credit union truly embodied the credit union philosophy of “people helping people” and our members and staff showed a level of resiliency that assures us all that America’s First is strong enough to weather the toughest storms. I am confident that our credit union will continue to grow and prosper in the years ahead.

Thank you for allowing us to serve you in 2020.

## Community Report

Due to the many effects of the Coronavirus Pandemic, most community events and volunteer efforts were canceled. The difficult decision was made to put our Community First campaign on hold for 2020, and all fundraising events were rescheduled for 2021.

Like all areas of the credit union, we found ourselves shifting our focus to how we could help best. Many in our communities faced job layoffs or loss, businesses were shut down, and students were sent home from school. Food insecurity became one of the greatest needs in our areas. The credit union joined with ABC 33/40 to raise \$26,675 and a total of 20,672 food items for the Community Food Bank of Central Alabama for our “Feeding Families Across Alabama Food Drive.” During the month-long drive, non-perishable food items were welcomed for drop-off at any AmFirst branch location. Also, monetary donations were accepted, with funds going to the Community Food Bank of Central Alabama.

Even during a pandemic, AmFirst remains committed to supporting education. Since 2009, We have awarded \$145,000 in scholarships. Our “Rising Star” program recognized 30 high school students and awarded five scholarships. While this event’s format might have changed, we were proud to be able to commend the accomplishments of these young students. We continue to be the presenting sponsor for The Shelby County Chamber of Commerce’s Educator and Student of the Year Awards, recognizing excellence in Shelby County Schools. Additionally, we sponsor many events and financial education programs in schools throughout our service area.

Furthermore, we remain committed to serving local businesses through our Benefit Partner Program. While we could not host in-person enrollments and Financial Education Workshops, we looked for alternate methods of reaching people in our community. While observing safety and social distance guidelines or via remote, we conducted over 115 enrollments and 45 financial education workshops and added 58 new Benefit Partners in 2020. Two team members are now Certified Credit Union Financial Counselors, strengthening our ability to provide in-depth financial wellness information. We held financial wellness workshops virtually as well as voice over presentations. The financial workshops include: *Understanding how Credit Works, Identity Theft, and Budgeting During Difficult Times*. We work with local schools and colleges as much as possible, providing financial education for students. We also remain dedicated to providing financial education for nonprofit groups such as Habitat for Humanity and United Way of Central Alabama. We continue to promote all AmFirst services and member growth through financial education and product awareness.

## Our Core Values

### **Integrity Based**

The Board of Directors and Management have instilled the highest ethical standards for all business practices and personal conduct and will accept nothing less.

### **Member Focused**

We are committed to consistently providing exceptional service and value to our members and pledge to treat every member with dignity and respect and in a fair and equitable manner.

### **Financially Sound**

We maintain disciplined business practices to ensure that we have the financial resources to meet the needs of our members.

### **Community Commitment**

We will be a valued corporate participant in the communities we serve by actively supporting organizations and events that improve the quality of life of our neighbors.

### **Employee Centric**

We strive to maintain a corporate culture and learning environment that inspires, attracts and retains highly talented, diverse and service minded team members.

