

20  
23

ANNUAL  
REPORT

INTEGRITY BASED

MEMBER-FOCUSED

FINANCIALLY SOUND

COMMUNITY COMMITMENT

EMPLOYEE CENTRIC

**SINCE 1936**





## *From the President:* **Bill Connor**

On behalf of the management team, I am pleased to report that our credit union surpassed expectations and achieved outstanding results in all aspects of our operations last year. Our staff's exceptional efforts reflect their dedication to excellence and enhance the credit union's value for all members.

The health of any organization can be measured by its growth in spite of economic challenges. Despite 2023's inflation and high-interest rates, we experienced significant loan portfolio growth. Total member loans increased by an impressive \$247.5 million, or 15.5%, across consumer, mortgage, and small business segments.

Additionally, we welcomed over 24,000 new members, increased checking accounts to over 116,000 and grew small business accounts to 4,853.

Externally, we expanded credit union membership through our Benefit Partner program, hosting enrollments, benefit fairs, and financial wellness seminars. Our community engagement efforts, as detailed in this Annual Report, showcased our staff's outstanding support for local causes. Through our Community First campaign, we raised and donated \$150,000 to four worthy non-profit organizations.

Collectively, our achievements were recognized by awards such as Forbes Magazine's Best In-State Credit Union, highlighting our commitment to our members and the communities we serve.

As AmFirst approaches its 88th anniversary this July, I am confident that we are poised for continued success. Thank you for trusting us to serve you in 2023.

A stylized, handwritten signature in white ink, appearing to read "Bill Connor". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

## 2023 Board of Directors



**Barney Hatten**

*Chairman*



**Katie Voss**

*Vice Chairperson*



**Karen Bruce**

*Treasurer*



**Sara Robicheaux**

*Secretary*



**Eric Housh**



**Greg Johnston**



**Ross Mitchell**

## 2023 AmFirst Executive Team



**Phil Boozar**

*SVP-Chief Sales Officer*



**Kevin Morris**

*SVP-Chief Retail Officer*



**Mike Northrup**

*SVP-Chief Delivery Systems Officer*



**Teresa Owens**

*SVP-Chief Financial Officer*



**Nancy Rice**

*SVP-Chief Risk Officer*



**Alan Stabler**

*EVP-CAO General Counsel*



**Audra Weber**

*SVP-Chief Operating Officer*



*From the Chairman:*  
**Barney Hatten**

Change is one of life's inevitabilities that often brings new and exciting possibilities. At AmFirst, a very important change came in 2023 in the form of a new computer operating system that brought state-of-the-art technology to our credit union. This project began in 2018 and was successfully completed on October 1, 2023. A project like this is truly an all hands-on-deck effort, and was the culmination of much hard work and determination by our staff and leadership.

Along with my fellow members of the Board of Directors, we are very pleased with the results of the conversion, and we will be actively reviewing the possibilities this new system brings to provide better service to our members. In 2024 and beyond, our members can expect to see new features to enhance their membership experience with us.

Despite a challenging economy for much of the year, AmFirst was able to focus on operating efficiency, building capital and maintaining liquidity to ensure that we could meet the needs of our members. As a result, 2023 was another successful year for our credit union and ultimately for our members. We were able to maintain a strong balance sheet and risk management profile that drove another successful financial performance.

One of our greatest sources of pride is our community involvement. In 2023, the AmFirst team raised \$150,000 that was donated to four very worthy charitable organizations providing valuable services to address addiction, homelessness, and special needs. Each year, our employees find new and innovative ways to raise funds to help organizations and people in need. We are very proud of the impact our credit union makes in furthering the credit union mission of people helping people and look forward to finding even more ways to impact our communities.

As we look ahead, with our strong balance sheet and dedicated staff, AmFirst is well-positioned to take on the evolving challenges that face our industry and our members. With the spirit of collaboration and a can-do attitude, our entire team is ready to meet you wherever you are in your financial journey to help you achieve your goals.

It has been an honor and privilege to serve as your chairman and to be part of a team that is laser-focused on service to our members. On behalf of my fellow Directors, thank you for placing your trust in AmFirst.



**Greg Johnston**  
*Director & Supervisory  
Committee Chair*



**Jim Momenee**  
*Supervisory Committee  
Secretary*



**Jim Dorris**  
*Committee Member*



**Cathy Antee**  
*Committee Member*



**Diana Knight**  
*Committee Member*

## *From the* **Supervisory Committee**

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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 monthly 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 AmFirst for the calendar year 2023. Upon review of their audit report, the Supervisory Committee is proud to report that AmFirst 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, 2023. This opinion is the highest attainable and reflects very favorably on the financial stewardship of the Board of Directors and the Management Team of AmFirst.

## Statement of Financial Condition

	2023	2022
<b>Assets</b>		
Cash & Cash Equivalents	\$ 233,593,223	\$ 385,986,063
Loans to Members-net	\$ 1,884,188,039	\$ 1,636,632,982
Investments	\$ 207,866,688	\$ 236,503,030
Property & Equipment	\$ 62,671,958	\$ 63,397,102
Other Assets	\$ 30,152,585	\$ 27,476,291
<b>Total Assets</b>	<b>\$ 2,418,472,493</b>	<b>\$ 2,349,995,468</b>
<b>Liabilities and Members' Equity</b>		
Dividend & Interest Payable	\$ 2,799,222	\$ 515,415
Accrued Expenses and Other Liabilities	\$ 31,594,258	\$ 31,161,549
Members' Shares & Deposits	\$ 2,133,040,906	\$ 2,086,454,010
<b>Total Liabilities</b>	<b>\$ 2,167,434,386</b>	<b>\$ 2,118,130,974</b>
Undivided Earnings	\$ 251,038,107	\$ 231,864,494
<b>Total Members' Equity</b>	<b>\$ 251,038,107</b>	<b>\$ 231,864,494</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 2,418,472,493</b>	<b>\$ 2,349,995,468</b>

## Statements of Income

<b>Income</b>		
Loan Interest Income	\$ 76,718,537	\$ 50,541,331
Investment Income	\$ 15,265,960	\$ 10,982,746
Fees and Other Income	\$ 36,826,919	\$ 26,494,038
<b>Total Income</b>	<b>\$ 128,811,416</b>	<b>\$ 88,018,115</b>
<b>Expenses</b>		
Compensation & Benefits	\$ 35,754,941	\$ 32,632,326
Office Operations and Loan Servicing	\$ 22,413,118	\$ 20,113,190
Occupancy	\$ 4,026,874	\$ 3,720,697
Other	\$ 7,637,614	\$ 6,322,404
<b>Total Operating Expense</b>	<b>\$ 69,832,547</b>	<b>\$ 62,788,617</b>
<b>Income from Operations</b>	<b>\$ 58,978,869</b>	<b>\$ 25,229,498</b>
Provision for Loan Losses	\$ 13,094,620	\$ 2,256,507
<b>Income Before Capital Costs</b>	<b>\$ 45,884,249</b>	<b>\$ 22,972,991</b>
Dividend & Interest Expense	\$ 24,866,688	\$ 8,454,278
<b>Net Income</b>	<b>\$ 21,017,561</b>	<b>\$ 14,518,713</b>

# Loan Officer's Report: 2023

In 2023, the lending landscape for credit unions faced a myriad of challenges driven by a combination of technological advancements, shifting consumer behaviors, and dynamic regulatory landscapes. A continuing underlying issue was the economic aftermath of the global pandemic, which continued to exert pressure on borrowers' financial stability. As businesses grappled with uncertainties and consumers faced job insecurities, AmFirst, known for our community-focused approach and member-centric ethos, adapted swiftly to meet the evolving needs of our members while maintaining prudent lending practices.

## **Our loan portfolio expanded to a new record with balances exceeding \$1.88 billion.**

The foundational approach of people helping people continues to drive our growth, even during economic turbulence. A testament to our credit policies and risk management, our loan performance was equaled by a low rate of delinquency and default. This risk mitigation allows us the flexibility to meet our membership where they need us the most, listen to their needs, and provide customized solutions furthering their financial literacy and capacity.

## **This past year, 18,645 loans were made for general consumer loans, contributing to a growth of more than \$247.5 million for the portfolio.**

Of particular note, our 21-branch network had one of the most successful years of granting loans directly to our membership with loans totaling almost \$152 million. In addition, we opened 6,883 new unsecured loans and credit cards. Our Mortgage Services team closed 1,696 real estate loans, totaling \$92.6 million. While the total dollar amount does not equal that of the prior year, it does represent the highest number of home equity loans historically granted to our membership. Using a new marketing campaign focused on meeting the needs of the small business, our Business Services area continued our planned growth model by granting 218 loans, totaling over \$23.4 million dollars. This is an increase of 64% over the previous year.

Withstanding the ripple of all of the economic challenges, our credit union demonstrated resilience and agility in navigating the lending landscape. By leveraging data analytics, adopting innovative lending solutions, and prioritizing member-centric approaches, AmFirst overcame obstacles and fulfilled our mission of providing affordable and accessible financial services to our membership. Looking ahead, these experiences will inform strategic decision-making and drive continuous improvement, ensuring we remain steadfast in our commitment to serving members' evolving needs.



# Community Engagement: 2023

AmFirst's commitment to serving our community continuously grows through our Benefit Partner, philanthropy and community outreach programs. Our Benefit Partner program offers local business, schools, colleges and organizations free financial wellness workshops and special member benefits.



**77,000**  
meals

The Feeding Families Across Alabama Food Drive provided 77,000 meals for individuals in Central Alabama. In Mobile, we donated more than 100 lbs of food to the Love All Pantry at Central.



**600**  
children's gifts

AmFirst members and employees donated toys to over 400 families and 600 children in 2023 in our 16th year of the Magic City Toy Drive.



**\$25,000**  
in scholarship funds

AmFirst demonstrated its support for the future of our community by sponsoring the Rising Star Student program along with WBRC, Fox 6 by recognizing 30-students in the central Alabama area and awarded 5 scholarships in the amount of \$5,000 each.



**\$150,000**  
awarded to charities

Our Community First Fundraising Campaign presented The Exceptional Foundation, Ronald McDonald House, First Light and Addiction Prevention Coalition with awards of \$37,500 each.



**\$87,500**  
golf tournament

Our annual charity golf tournament



**45**  
veterans

We served 45 Veterans at our annual Veteran's Fishing Rodeo at Lake Logan Martin.



**913**  
events

We participated in more than 913 community events.



**1,000**  
volunteer hours

Our employees used over 1,000 hours of volunteer time to invest into our local non-profits. (155 employees)



**\$31K**  
sporting clays

Our annual Sporting Clays Tournament raised \$31,000



# Membership Development : 2023



**315**  
New Benefit  
Partners

Visited  
**2000**  
Local Businesses



**180**  
Financial Wellness  
Workshops in  
various schools and  
businesses

**2400**  
Local students  
impacted



**\$342K**  
contributed to  
United Way of  
Central Alabama

Our membership development team alongside of our branch staff added an additional 315 new Benefit Partners in 2023. They visited with more than 2,000 local businesses. These consisted of onsite enrollments, supporting local businesses through employee benefits and wellness fairs and some virtual options as well. We conducted 385 enrollments for our benefit partners.

In 2023, our team conducted 180 financial wellness workshops in various schools and businesses. Some of these workshops impacted more than 2,400 students in 20 different schools and colleges in our community. In 2023, AmFirst employees continued our commitment to United Way contributing \$342,000 to United Way of Central Alabama, as well as contributions to United Way in Mobile, Cullman, Oxford, and Talladega.

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***AmFirst***

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