

A smiling woman with curly hair, wearing a brown blazer over a white shirt, is sitting at a desk with a laptop. The background is a blurred office environment.

# 2021 ANNUAL REPORT



**(410) 584-7474**  
**[www.AFFCU.org](http://www.AFFCU.org)**

**40 Schilling Road**  
**Hunt Valley, MD 21031**

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FEDERALLY INSURED BY NCUA

*2021 Overview***REPORT OF THE  
BOARD CHAIR AND  
PRESIDENT/CEO****Developing New Opportunities In The Face Of Challenges**

In 1950, Atlantic Financial FCU (then Baltimore Telephone FCU) was born when a handful of employees united to provide financial support to their fellow co-workers and families. For the past 72 years, this people helping people philosophy has continued to flourish. Our pursuit of delivering on this philosophy has not wavered despite the adversities faced over the years and recently throughout the pandemic.

2021 showed us a slight reprieve from the enormous challenges in 2020 through the initiation of the Covid-19 pandemic. While the pandemic still lingered, giving us a rollercoaster of variants, new uncertainties, and more, there were also positive signs of economic recovery and re-opening. Through it all we successfully adapted to the changing environment, remaining nimble, while ensuring we were available to support our members as their trusted financial partner when they needed us the most.

To deliver on the goal of helping our members achieve and maintain financial security, we must first ensure we prudently maintain the financial health of the Credit Union. Despite

some growth challenges, AFFCU maintained financially sound operations in 2021. We ended the year above budget with a “well-capitalized” net worth of 10.51%.

Full details of AFFCU’s financial sustainability, are highlighted in the Treasurer’s Report, which includes an end-of-year snapshot of the balance sheet provided.

**Spark Of New Opportunity**

2021 was a year of new opportunities that will be a spark of growth and advancement in 2022 and years to follow.

**Digital Spark:** The launch of our new digital banking platform was the first spark of new opportunity. Throughout the pandemic we experienced members’ rapid adoption of our digital banking services. However, well before the pandemic hit, AFFCU was working to improve our digital banking platforms. In March of 2021, we successfully launched our new omni-channel digital banking system.

The transition to the new platform allows AFFCU to continue evolving our digital solutions to better serve our members. While change may be a challenge at times, it is often necessary to move forward in a new direction.

The change of platforms will allow us to continue integrating new features and functionality that help simplify your banking and money management activities.

**Community Spark:** The second key spark of new opportunity opened the door for more robust growth at AFFCU. In May of 2021, NCUA approved AFFCU's application to become a community chartered credit union. With that, membership and access to our affordable financial solutions is now available to anyone who lives, works, worships, volunteers in, attends school in, or does business in Baltimore County, Baltimore City, Carroll County, and Harford County.

Our commitment and focus will always be on delivering exceptional member experiences, regardless of how long one has been an AFFCU member. Opening our doors to the broader community will not take away from our devotion to building and maintaining strong, personal relationships with our members. We remain rooted in the "People Helping People" philosophy and idea of serving every member individually with understanding and empathy of their unique needs and life experiences.

**Fueling The Sparks With Renewed Energy In 2022**

Although the pandemic still lingers, we are expecting 2022 to be a year of renewed opportunity. We will continue working diligently to fuel the sparks developed in 2021 into continued growth and evolution of AFFCU. We have ambitious goals, but we will be financially prudent and remain nimble to adjust with changing economic

conditions to ensure we evolve while remaining financially sound.

As our communities and the job market begin to stabilize from the effects of the pandemic, we anticipate growing consumer demand. As spending activities pick up, borrowing increases, and the housing market and home values remaining high, we remain ready to support our members through our affordable and accessible financing solutions.

We will work to be stewards of the communities we live and work in. We will continue to work to help our communities thrive through support and outreach. Our focus will always be on serving our members with accessible and affordable financial solutions. We will continue to support your financial success and ensure you receive an exceptional member experience regardless of how you interact with your AFFCU.

As we continue our momentum through 2022, I want to share our team's gratitude for your membership here at AFFCU and the opportunity to serve you.

Thank you,



**Matthew Piazza, CPA**  
**President & CEO**



**Wade Walters**  
**Board Chairman**

## OUR MISSION

To enrich our members' lives through consistent, exceptional member experiences.

## OUR VISION

To be our members' financial institution of choice.

## OUR VALUES

Our core guiding values define the **STRONG** foundation by which we operate and serve one another every day.

- S – Service
- T – Trust
- R – Reliable
- O – Open-Minded
- N – Nimble
- G – Genuine

## 2021 BOARD OF DIRECTORS'

Wade Walters, Chairman  
Michael Spencer, Vice Chairman  
Francis "Fran" Reinhardt, Treasurer  
Barbara Byrnes, Secretary  
Romelle Bacon  
James Crogan  
James Haenlein  
Stacy Purnell  
Ronald Sturdivant

## 2021 COMMITTEE VOLUNTEERS

### SUPERVISORY COMMITTEE

James Haenlein, Committee Chair  
Tonya Hicks  
Femi Olawuyi  
Christopher Perez  
Brian Shepley  
Wyntra Jones (Associate Member)

## IN OUR MEMBERS WORDS

I love Atlantic Financial! I have banked with a Credit Union before but they really exceeded my expectations they go above and beyond for the customers, great customer service and friendly and takes care of all needs. Highly recommend  
- *Kionna T.*

AFFCU has sincerely changed my life on so many different levels. This is the best bank I've ever had, and I will be a customer for life.  
- *Nikita F.*

The only thing I can say is AFFCU is AWESOME! The Chick-fil-A of banking! The staff is superb, always friendly. Hat's off to the AFFCU family for making my life easier to know that my funds are being protected by the best!  
- *Kendalyn S.*

I have been banking with AFFCU for years. The customer service is second to none and they always work with you. I truly love the experience I have had with them and will continue to bank with them.  
- *Krystal C*

AFFCU had made it possible for me to make my dreams a reality. When most places would shy away from people who had a bit of a difficult financial past and are looking to improve, AFFCU gave me the trust to do so and they have improved my financial situation greatly. Love this credit union. Thank you and grateful to be a member!  
- *Kaitlyn W.*

Being a member with AFFCU has brought me so much peace to my life. The level of stellar customer service I receive goes unmatched.  
- *Tamika T.*

Affcu has helped me in so many ways of learning how to become a better adult. From managing money to scheduling payments on my loan they approved me for, I have never been so more tentative into my finances.  
- *Darquell B.*

AFAFFCU help at a great time by giving me a lower interest rate on refinancing my van and that helped my family a lot.  
- *Darrius S.*



# TREASURER'S REPORT

The Board of Directors approves the annual budget prepared by AFFCU's management. Included in the budget process is setting goals for key performance factors and then tracking them throughout the year.

Year-end 2021 results for these key performance factors are reported as follows:

<b>Net Worth</b>	<b>10.51%</b>		<b>Delinquencies</b>	<b>0.74%</b>
<b>Charge-Offs</b>	<b>0.51%</b>		<b>Efficiency Ratio</b>	<b>77.96%</b>
<b>Loan To Share Ratio</b>	<b>70.52%</b>		<b>Return On Assets</b>	<b>0.24%</b>
<b>Asset Growth</b>	<b>0.92%</b>		<b>Loan Growth</b>	<b>(5.03%)</b>

The 2021 budgeted goal for net worth was 10.38%. At year-end, AFFCU's net worth was 10.51%, above the level required by federal regulators to be classified as a "well-capitalized" credit union.

AFFCU reported net income of \$262,742 (or return on assets of 0.24%) for the year ending December 31, 2021. This is a decrease of \$53,504 or 16.9% below net income of \$316,246 reported for the year ending December 31, 2020.

These results confirm your credit union continues to be financially strong, and well-managed, despite the impacts presented by the global Covid-19 pandemic. The board and AFFCU management remain committed to goals that consistently strengthen the organization.

Respectfully,  
**Francis "Fran" Reinhardt**  
Treasurer

# SUPERVISORY REPORT

Atlantic Financial Federal Credit Union's Supervisory Committee has the responsibility of ensuring that AFFCU is operating in a safe and prudent manner and in the best interests of our members.

To help fulfill this oversight the we engage an outside auditing firm, CliftonLarsonAllen, LLP, to perform the annual opinion audit and to verify member accounts, as well as other required NCUA procedures. We also undertake a federally mandated annual NCUA examination.

The Supervisory Committee, is happy to confirm that under the leadership of our President and CEO, Atlantic Financial Federal Credit Union continues to meet its obligation of operating in

an efficient and responsible manner that confirms its financial stability and soundness. The continuous monitoring and review of its operations, procedures, and controls ensures the safeguarding of the credit unions assets. These controls and processes were examined by NCUA and our independent CPA audit, both yielding no issues of concern for the credit union. The Supervisory Committee will continue to ensure that AFFCU remains a safe and financially sound institution, ready to meet your financial needs.

Respectfully,  
**The Supervisory Committee**

2021

# FINANCIAL STATEMENT

## BALANCE SHEET

	December 2021	December 2020
<b>ASSETS</b>		
Cash and Cash Equivalents	\$8,610,549	\$12,236,620
Investments	\$28,961,954	\$20,842,072
Loans - Less Allowance For Loan Loss	\$67,497,573	\$71,073,952
Premises and Equipment	\$1,553,050	\$1,469,528
Other Assets	\$1,555,925	\$1,568,797
Total Assets	\$108,179,051	\$107,190,969
<b>LIABILITIES</b>		
Members' Share and Savings	\$96,585,425	\$95,635,710
Other Liabilities	\$504,254	\$372,348
Total Liabilities	\$97,089,679	\$96,008,058
<b>MEMBERS' EQUITY</b>		
Total Members' Equity	\$11,089,372	\$11,182,911
Total Liabilities and Members' Equity	\$108,179,051	\$107,190,969

## INCOME STATEMENT

	December 2021	December 2020
Interest Income	\$3,589,357	\$3,982,363
Interest Expense	(\$570,517)	(\$790,936)
Provision for Loan Losses	(\$311,953)	(\$381,494)
Non-Interest Income	\$1,606,144	\$1,417,189
Non-Interest Expenses	(\$4,050,289)	(\$3,910,876)
Net Income	\$262,742	\$316,426

These summary financial statements do not constitute a complete presentation. The complete set of audited financial statements, including the statements of comprehensive income, changes in members' equity, cash flows, and the notes to the financial statements, is available upon request.