



 **FirstFinancial**  
CREDIT UNION

# 2020 ANNUAL REPORT



I'm guessing that 2020 was one of the most challenging years nearly all of us had to face, either on a personal, work, or relational level. Routines and the structure they provide usually reduces stress, help us be more efficient and can even improve our health. The complexity of accomplishing even small tasks were impacted last

year as our routines were turned upside-down almost overnight. I want to first thank all of you, our loyal members, for sticking with us through this extremely difficult year, as your routines for financial matters, like cashing a paycheck, were thrown into disarray. I also want to compliment our staff for adapting to the wild changes we were forced to make to comply with new safety and regulatory measures.

All in all, considering how matters could have turned out, your Credit

Union had a pretty good year, recording a \$2.0 million increase in net income during 2020. We achieved this growth even with the backdrop of the overall US economy shrinking by 3.5%, which was its worst year for growth since WW2. Membership grew at a slower pace than prior years, increasing just 2.0% during the year, but that is understandable given that our lobbies were closed for most of the year. Deposit growth was an extraordinary 27.0%, fueled in part by stimulus funds and pandemic related changes affecting what most of us normally would spend on food, travel, and entertainment. We appreciate that you continue to trust us with your savings, especially in this low interest rate environment we find ourselves in.

First Financial, again, received important recognition during the year, including the 2020 Top Places to Work and 2020 Family Friendly Business awards. Taking care of our awesome staff is one of our key

priorities. Our employees had to deal with the same work challenges you did this past year, from childcare and schooling issues to health concerns, as many are front line workers. In the end, they were just as glad as you were when we were able to reopen our lobbies, as we know that waiting in long lines in the drive-thru is not fun and very inconvenient.

As the year closed, construction on our new corporate headquarters was coming to a close as well. This new facility will provide us a place where new technology can be tested before being rolled out which will help us provide better service within a cost-efficient framework. We are currently in the pilot stage with upgraded technology that will allow us to provide high quality financial services to some of the more rural and under served areas in the State – where we will be able to deliver a locally staffed, physical presence with experts at the touch of a button.

I continue to be amazed at how fortunate I am to work with such dedicated volunteers and staff, and as always I thank you for allowing us to grow with you as your preferred financial partner.

A handwritten signature in black ink, appearing to read "Ron Moorehead". The signature is fluid and cursive.

Ron Moorehead, CEO





2020 has been a year unlike any other, we faced unprecedented challenges on a global scale as well as right here in our own New Mexico communities. Together through our resilience and strength, we persevered, and the heart of the credit union movement took on an even greater meaning than ever before.

First Financial is committed to the founding principle that all credit unions share “people helping people.” Our focus remained on our members and guiding them through the financial uncertainties that many have faced as a result of the pandemic. We are proud that throughout 2020 we have been able to support our members by offering many options for protecting their payments and credit histories. We assisted our business members in applying for and securing Paycheck Protection Program (PPP) loans and offered members the opportunity to skip their consumer loan payments.

Despite all of the challenges, First Financial continued to find ways to reach out to our communities, and provide a lifeline to many nonprofits, schools and local businesses. We awarded over \$20,500 in scholarships to graduating high school seniors and current college students. We provided meals from local restaurants for the medical staff and first responders at various hospitals and medical clinics throughout New Mexico. We also purchased gift cards and products from local businesses for community social media giveaways to stay New Mexico strong and proud.

Isolation and social distancing may have become a challenging everyday part of our lives. However, they didn't reduce the need for banking services. If anything,

the effects of the pandemic only increased the critical importance of being financial first responders for our members.

Your board of directors' primary focus is to ensure the financial strength of First Financial Credit Union for today and the strategic direction for the future. We are your representatives and take our responsibilities seriously to make sound decisions to enhance and keep the credit union strong and secure.

Our thoughts go out to those that experienced a personal impact and we express our sincere appreciation to our employees, the front-line heroes that kept essential services available for the good of our communities. We are grateful to all our members who continue this journey with us as your trusted financial partner. Thank you for another successful year and thank you for choosing First Financial Credit Union.





**\$2M**

**TOTAL**  
net income

**24.9%**

**ASSET**  
growth

**\$704M**

**TOTAL**  
assets

**18.7%**

**LOAN**  
growth

**81.3K**

**MEMBERS**  
2% growth

**\$20.5K**

**AWARDED**  
in scholarships

**\$970K**  
AWARDED

**TO MEMBERS**  
through Kasasa Rewards



**3RD YEAR VOTED**  
Family Friendly Business



**3RD YEAR VOTED**  
Top Places to Work

2020 was a challenging year for many of us but an exciting year for the credit union. Similar to recent years, the Credit Union experienced strong growth in a number of areas.

Your Credit Union grew assets by 24.9% in 2020, ending the year as a \$704 million credit union. Membership grew by 2.0%, ending the year with 81,397 members. The Credit Union had strategically decreased loans by 6.0% in 2019, in preparation for a recession. With the pandemic and resulting economic downturn, the recovery impacts were unexpected. In 2020, the Credit Union actually increased loans by 18.7% -- with real estate loans increasing by 45% and commercial loans increasing by 79%.

First Financial generated \$2.0 million in net income in 2020, a decrease of 43% from 2019. However, members received \$970,000 through the rewards checking accounts, ATM fee refunds, and dividends on Kasasa Cash accounts. To the benefit of the membership, the Credit Union paid

out 13.5% of all interest income generated during the year through monthly dividends and various Kasasa rewards.

During the year, First Financial invested in the building of a new headquarters and branch in the Renaissance area of Albuquerque, with a completion date early in 2021. Other Credit Union investments in 2020 include new cybersecurity, network infrastructure and other technology enhancements, with some of them focused on new ways of serving the membership under mandated stay-at-home orders during the pandemic.

Your Credit Union is here to serve you as your preferred financial institution. Thank you for your membership and continued support!



**TREASURER'S REPORT**  
**LORETTA MONTOYA**

# 2020 STATEMENT OF FINANCIAL CONDITION

FIRST FINANCIAL CREDIT UNION AS OF 12/19/2020

## ASSETS

2020

2019

Loans	\$ 492,768,491	\$ 415,025,272
Allowances for Loan Losses	(7,130,100)	(5,315,700)
Net Loans	\$ 485,638,391	\$ 409,709,572
Cash & Investments	166,645,679	118,332,383
Fixed Assets (Net)	24,122,041	13,413,776
Other Assets	27,316,711	21,884,657
<b>TOTAL ASSETS</b>	<b>\$ 703,722,822</b>	<b>\$ 563,340,388</b>

## LIABILITIES & EQUITY

Current Liabilities	\$ 6,563,730	\$ 5,943,645
Member Shares	646,944,785	509,496,358
Retained Earnings	50,214,307	47,900,385
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 703,722,822</b>	<b>\$ 563,340,388</b>

## STATEMENT OF INCOME & EXPENSES

2020

2019

### INTEREST INCOME

Loans	\$ 22,066,555	\$ 21,727,502
Investments	1,851,561	2,011,658

### INTEREST EXPENSE

Dividends to Members	(2,337,275)	(2,182,477)
Interest on Borrowed Funds	(1,257)	(935)

Net Interest Income	\$ 21,579,584	\$ 21,555,748
---------------------	---------------	---------------

Other Operating Income	11,448,405	14,017,620
------------------------	------------	------------

Non-Operating Income/(Loss)	881,984	45,182
-----------------------------	---------	--------

Operating Expense	(28,205,014)	(28,180,876)
-------------------	--------------	--------------

Provision for Loan Losses	(3,700,000)	(3,925,000)
---------------------------	-------------	-------------

Net Income / (Loss)	\$ 2,004,959	\$ 3,512,674
---------------------	--------------	--------------





## SUPERVISORY COMMITTEE'S REPORT OLIVIA JIMENEZ

After over a decade of volunteer service on the Supervisory Committee, and the past five years as Chairman, I am energized to deliver our report to the membership this year.

The Supervisory Committee provides management and Board of Directors with an independent appraisal of the safety and soundness of First Financial Credit Union operations and ensures the financial statements are a fair and accurate presentation of its financial condition.

The Supervisory Committee fulfilled its responsibility by:

- Employing the independent accounting firm of Nearman, Maynard, & Vallez CPAs to perform a

comprehensive review of the credit union's financial statements for 2020, which were rendered accurate in all material respects;

- Participating in the joint examination conducted by the regulatory agencies of National Credit Union Administration (NCUA) and the New Mexico Financial Institutions Division, which indicates a financially strong and well managed organization;

- Meeting monthly with the Director of Internal Audit to supervise the internal audit program, discuss audit results, Internal Audit recommendations for strengthening controls, and the status of management's action on all prior recommendations; and

- Reviewing and responding in writing to letters and emails it received from the membership or any regulatory agency at P.O. Box 26926, Albuquerque, NM 87125.

The cooperation and support from credit union members, employees, officers, and volunteers are greatly esteemed. We welcome and appreciate our newest Associate, Jennifer Gibbs to the committee. The Supervisory Committee shall continue to perform its oversight responsibilities in the best interest of the membership and First Financial Credit Union.





# PEOPLE HELPING PEOPLE

First Financial Credit Union is dedicated to our member-owners in diverse communities by providing trusted and exceptional financial services, products, and education.

## BOARD OF DIRECTORS

### **CHAIR**

Cassie Kelley

### **FIRST VICE CHAIR**

Vincent Esparza

### **SECOND VICE CHAIR**

Cathy Thomas

### **SECRETARY/TREASURER**

Loretta Montoya

### **DIRECTORS**

Ava Boswell

Raymond McCreesh

Stewart Logan

Iva Curley

Michelle Durham

### **EMERITUS DIRECTORS**

Pablo Rael

Boyd Miller

### **ASSOCIATE**

Bryan Trevino

### **SUPERVISORY COMMITTEE**

Chair - Olivia Jimenez

Member - Christine Duncan

Member - Cynthia Frost

Associate - Gloria Herrera

Associate - Jennifer Gibbs