



Our Mission  
Is Making  
A Difference  
In The  
Community



# Board President's Report

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*Welcome to our Annual Meeting!* The last year has been a time of transition and opportunity, and I'd like to recognize a few of the changes.

**Amina Omari**  
Board President

First, I'd like to bid a fond farewell to Jim Fravil, who has served on the Board of Directors for 26 years. In my (comparatively) short time on the Board, I've seen Jim serve as a steady, constant voice of wisdom, financial acumen, and steady commitment to our mission. We've all appreciated his guidance and he will be sorely missed. I hope you can all join me in wishing him the best in all his next endeavors!

Second, I'd like to recognize the CEO transition that happened this year. Many thanks to Eric Levine, who served as our CEO for 5 years and led the credit union through a time of great change. We are grateful that he is continuing to serve Alternatives as General Counsel.

I am also glad to welcome Kevin Mietlicki, who stepped from the CFO role into the CEO role in February and has been providing excellent leadership since then. I deeply appreciate his work on refining the mission, supporting staff and members, and taking concrete action on diversity, equity, and inclusion. I hope you can join me in welcoming him, and I look forward to seeing what he brings to Alternatives in years to come.

As in any time of change, now is an opportunity for us to recommit to our mission — to build and protect wealth for people with diverse identities who have been historically marginalized, especially those with low wealth or identifying as Black, Indigenous, or people of color. Many thanks to our staff, who have continued to push forward with their work on this mission through challenging times. And many thanks to our community — *we're proud to serve you.*

# Message from the CEO

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I would like to start my first message as CEO by taking a moment to say how honored I am to be entrusted with the position. I will do all I can to ensure Alternatives continued commitment to its members and the communities we serve. I also want to thank Eric Levine for his stewardship these past years, especially his guidance during two years of a global pandemic.

I want to recognize the commitment of all our staff members but say a special thank you to the frontline staff who have been in the branch day in and day out providing great member service. I also want to recognize the volunteers who have served on our board, supervisory committee and other credit union committees. And, I want to thank the funders that work with Alternatives that assist us in delivering products, services and outreach to our members and communities.

The past year has been a year of transition, a turning point, as we have committed to strategic planning that will rededicate Alternatives to a mission of building and protecting wealth for people with diverse identities who have been historically marginalized, especially those with low wealth or identifying as Black, Indigenous or People of Color. We are reviewing each of our policies and procedures, and our products and services, to have them reflect this mission better. Change is not easy but necessary, to ensure we spend our resources in areas of largest impact.

Alternatives is on strong financial footing and we look forward to continuing to assist our members and our communities to reach for financial goals to make life changing impacts.



**Kevin Mietlicki**  
CEO

# Supervisory Committee Chair's Report

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The Supervisory Committee is made up of volunteer members appointed by the Board of Directors of Alternatives in accordance with the Federal Credit Union Act to help ensure the safety and soundness of the operations and activities of your credit union. The Committee evaluates the financial operation of the Credit Union as well as management procedures and practices to safeguard member assets and serve the community.

To carry out these responsibilities, the Committee retained Sciarabba Walker & Co., LLP to perform required annual audits for the year ending December 31, 2021. The auditors issued an opinion that the reports of Alternatives' financial performance are fairly presented and comply with generally accepted accounting principles. The auditors were also engaged to perform additional audit responsibilities on a quarterly basis. With the assistance of an employee, the Committee ensured that additional internal audit activities and reviews of practices and procedures of the credit union were conducted throughout the year.

In order to represent the membership, the Committee should be aware of your concerns. You may contact our regulator, the National Credit Union Association (NCUA), or the Supervisory Committee via email at [supervisory@alternatives.org](mailto:supervisory@alternatives.org), and your inquiry will be addressed in an impartial and confidential manner. *Thank you.*

**Richard Lansdowne**  
Supervisory Committee Chair

# Treasurer's Report

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Last year was a transitional year for Alternatives Federal Credit Union. The credit union strengthened its earnings and balance sheet by participating in many of the government programs made available during the second year of the pandemic. Being a **CDFI (Community Development Financial Institution)** made us eligible to participate in programs that brought dollars into the credit union. We used the funds to continue the work in our communities.

**Jim Fravil**  
Treasurer

To succeed with community investment we must also maintain a profitable bottom line to remain financially sound today and into the future. Your credit union finished the year with a return on average assets of 2.06% and net income of \$3,410,351. Our overall capital/asset ratio is 7.47% after a growth in assets of 14% (\$20.5 million)

The credit union ended the year on strong financial footing that will enable us to expand our mission outside of our current service areas and strengthen community engagement in more communities that need the products and services we offer.

# Statement of Financial Condition

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Mortgage loans	\$50,307	\$63,428
Consumer loans	24,961	17,452
Business loans	13,007	12,089
<b>Total loans</b>	<b>88,275</b>	<b>92,969</b>
<b>Allowance for loan loss</b>	<b>(965)</b>	<b>(847)</b>
Cash	50,192	44,288
Investments	21,395	2,029
Fixed assets	3,438	3,637
Other assets	3,441	3,127
<b>Total assets</b>	<b>\$165,776</b>	<b>\$ 145,203</b>
<b>Liabilities and member equity</b>	<b>2021</b>	<b>2020</b>
Liabilities	\$2,160	\$ 1,741
Checking	56,233	47,038
Regular savings	73,795	64,261
Certificates	12,672	13,924
Retirement savings	8,528	9,054
<b>Total deposits</b>	<b>151,228</b>	<b>134,277</b>
<b>Secondary capital</b>	<b>780</b>	<b>980</b>
<b>Capital</b>	<b>11,608</b>	<b>8,205</b>
<b>Total liabilities and equity</b>	<b>\$165,776</b>	<b>\$ 145,203</b>
<b>Capital Ratio</b>	<b>7.47%</b>	<b>6.33%</b>

# Statement of Operations

<b>Interest Income</b>	<b>2021</b>	<b>2020</b>
Mortgage	\$2,511	\$2,700
Consumer	1,308	1,273
Business	638	628
Investments	195	130
<b>Total Interest Income</b>	<b>4,652</b>	<b>4,731</b>
<b>Interest Expense</b>	<b>2021</b>	<b>2020</b>
Member shares & savings	386	414
Interest on borrowings	60	93
<b>Total interest expense</b>	<b>\$446</b>	<b>\$507</b>
<b>Net Interest Income</b>	<b>\$4,206</b>	<b>\$4,224</b>
Loan loss provision	304	667
<b>Net income after provision</b>	<b>3,902</b>	<b>3,557</b>
Operating expenses	(6,061)	(5,748)
Other operating income	5,569	2,415
<b>Net income</b>	<b>3,410</b>	<b>224</b>





## **BUSINESS PROFILE: LESA CARTER**

### **Our Mission Is Making A Difference In The Community**

Lesa Carter started her business, Pickleball Mania, in December 2020. When the success of the business began to grow, she knew she needed to be able to expand her capacity. However, for most small businesses, expansion requires access to capital. In search of a business loan, Lesa initially reached out to local banks but immediately started hitting some walls.



For Lesa, the experience was disheartening.

*“I started to reach out to banks but was repeatedly denied due to the short length of time I had been in business. It was frustrating and discouraging to know that you have a great business idea, but that you are being judged on cookie-cutter loan requirements. They did not want to even hear or see what my business offered.”*

The disconnect between Lesa and access to capital is common among African-Americans. According to Teri Williams, President and Chief Operating Officer of OneUnited Bank, the nation’s largest Black-owned bank, *“they just do not perceive us as being successful. Their first reaction is the expectation that we’re not, and then we have to prove that we are.”*

A 2019 report from the Federal Reserve Bank of Atlanta showed that 38% of Black-owned small businesses did not receive any of the financing they applied for, compared with 33% of LatinX-owned businesses, 24% of Asian-owned businesses and 20% of white-owned businesses.

Not wanting to give up, Lesa participated in a program from Alternatives Impact called **RISE (Re-Imagining Inclusive Solutions for Entrepreneurs)**. RISE is designed for borrowers who do not meet the traditional lending guidelines of mainstream financial institutions. It combines business development training and technical assistance with loan decisions made by peers and community members rather than credit scores. *“It SAVED my business from first-year blues,”* Lesa exclaimed.



However, her relationship with Alternatives did not come without concerns, in great part because of how traditional lenders mistreated her before. *“I was*



*apprehensive approaching AFCU,”* she said, *“I thought that my business plan and business financials would be a futile effort. I prepared myself for the worst based on past experiences. Skeptical is an understatement. I was petrified that my dream of having a pickleball facility was going to come to an end.”*

Certified by the U.S. Treasury as a **Community Development Financial Institution (CDFI)**, Alternatives specializes in lending to individuals, organizations, and businesses in under-resourced communities that have been marginalized by mainstream financial institutions.

CDFI lending promotes small businesses, homeownership and living wage jobs. By offering an alternative to traditional loan underwriting, Alternatives is able to lend to people that would be typically be denied elsewhere.

*“Without the financial services of AFCU, I would not be in business right now,”* she admitted. *“They believed in me when no other bank would even read my business plan.”* She added, *“Even though they wanted the normal requirements - a business plan and financials, they looked at other essential ingredients, such as the rate of growth from the time I opened. They embraced my vision... this cannot be overstated. AFCU took a chance with Pickleball Mania and invested in my success. The support they have extended to me has been immeasurable and invaluable.”* 🌸

#### **Check out Pickleball Mania at:**

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(607) 319-4669  
[www.pickleballmania.org](http://www.pickleballmania.org)