

**ALLIANCE**  
CREDIT UNION

# ANNUAL REPORT

May 28, 2020

*For People,  
Not Profit.*





# OUR 2019 IMPACT

144 Volunteer hours

Shut Down Relief

Cruise Giveaways

Shred Day

Free Auto Appraisals

Race for the Cure

Pink Tailgate

Salvation Army Tailgate

Wounded Warriors  
Tailgate

Home Ministries Event

Building Strong Foundations  
Back Pack Drive

The Ranch Apartments  
Move-In Day

Covenant Training Series

Shallowater Middle School  
Banzai Classes

CU Awareness Day @  
Chick-Fil-A

Big Chill with KAMC

Parsons Elementary Fall Festival

How to Handle the Holidays

Meals on Wheels

Dunbar Financial Ed. Class

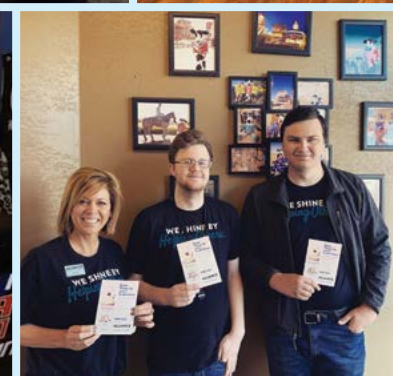
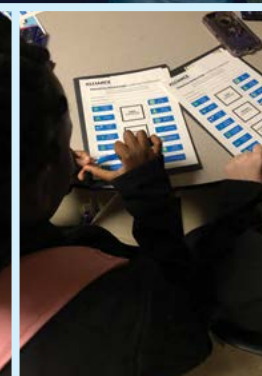
Police Substation  
Groundbreaking

Telemundo Segments

Walk by Faith Radio Segments

State School Christmas

LAR Luncheon







Upholding our  
**COMMITMENT** to  
our **COMMUNITY**...

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# ANNUAL MEETING MINUTES

May 9, 2019

## I. CALL TO ORDER

Board Chairman, Rex Andrews called the 79th Annual Meeting to order at 7:01 p.m. Board Secretary, Patsy Wilson confirmed a quorum was present. All actions approved in this meeting are unanimous unless otherwise noted.

## II. INVOCATION

Bob Clemmons, member of the board of directors, gave the invocation.

## III. MINUTES

Chairman Andrews presented the Minutes of the last Annual Meeting. There were no changes or corrections; therefore, the Minutes were approved as written.

## IV. CHAIRMAN AND CEO REPORT

Chairman Andrews presented the Chairman Report and Matt Grannan, President and CEO, presented the President and CEO Report as printed in the Annual Report distributed at the meeting. A motion and second were made to dispense with the reading of all reports. The motion carried.

## V. FINANCIAL REPORT

Chairman Andrews presented the Financial Report as printed in the Annual Report. A motion was made to accept the Financial Report. The motion carried.

## VI. NOMINATING COMMITTEE REPORT

Chairman Andrews recognized the Nominating Committee members and thanked them for their commitment and service to the credit union. The nominating committee nominated Rex Andrews and Vicki Ritcherson to serve for an additional three-year term. Nominations by petition were called for earlier in accordance with the bylaws. Subsequently, there were no candidates nominated by petition.

A motion was made to accept the nominations by acclamation. The motion carried.

## VII. OLD BUSINESS

None.

## VIII. NEW BUSINESS

New Business was called for in writing earlier and none was submitted. Several drawings were held including two cruises and a total of \$2,000 was given away to members. Additionally, two cruises were given to Clint McQuerry and Laura Delossantos for winning the employee weight loss competition.

## IX. RECOGNITION

Chairman Andrews thanked the members, board of directors and spouses, management and employees for supporting ALLIANCE.

## X. ADJOURN

There being no further business, a motion was made to adjourn the meeting at 7:42 P.M.

# AGENDA

## CALL TO ORDER

Rex Andrews

## INVOCATION

Bob Clemmons

## ASCERTAINMENT OF A QUORUM

Rex Andrews

## APPROVAL OF 2019 MEETING MINUTES

Rex Andrews

## CHAIRMAN'S REPORT

Rex Andrews

## NEW BUSINESS

none submitted

## CEO REPORT

Matt Grannan





We firmly believe that ALLIANCE offers the best solutions to the everyday financial needs of our community.

## CHAIRMAN'S REPORT



Welcome to the 80th Annual Meeting of ALLIANCE Credit Union. I am proud to be a member of ALLIANCE and happy so many of my fellow members have joined us. Thank you for the support you give this outstanding financial institution. We are the stakeholders in this credit union, and we are all invested in its success.

I want to recognize our board for their leadership, dedication, and passion for ALLIANCE Credit Union. We constantly look for ways to better serve you and are humbled by the trust you've placed in us. As a united body of leadership, we are responsible for ensuring that we have a successful and trustworthy management team, and I can say with confidence that we do.

As the Annual Report reflects, ALLIANCE Credit Union performed very well in 2019. Our primary goal is to ensure your credit union stays financially healthy and well positioned to lead the credit union movement in Lubbock, Texas. We focus on offering our

members the best interest rates possible while ensuring you have access to reliable technology and modern physical locations to interact with your credit union in the safest, most convenient manner possible. Some of the highlights of our report include:

- The number of primary accounts at ALLIANCE has increased to 24,522 representing year-over-year membership growth of 7.22%. This gives me confidence that we are serving your needs well enough to be recommended to your friends and family.
- As our credit union membership grows, so do our assets, which is one of the primary indicators of how well our members are receiving the products and services we offer. We ended 2019 with total assets over \$279 million!
- I'm very pleased to announce that once again ALLIANCE Credit Union is a well-capitalized financial institution, with a strong net worth ratio of 15.37%. To put that in perspective, a net worth position above 7% is considered well capitalized by our regulators.
- You, the members-owners of this institution, borrowed more than 100 million dollars in 2019, committing to 4,085 new loans.
- As loan demand has increased, delinquencies remain low at less than 1%. This is a testament to the competitive rates we're able to offer and your strong commitment to honoring your financial obligations.

We firmly believe that ALLIANCE offers the best solutions to the everyday financial needs of our community and are proud of the services your credit union provides each and every day.

With a shared vision for a successful future, our board of directors is proud of the outstanding staff at ALLIANCE Credit Union, and we stand behind CEO Matt Grannan as we look optimistically towards 2020.

In closing, I'd like to express my deepest confidence in the wisdom and guidance of our esteemed board of directors, the commitment of our dedicated staff, and the support and loyalty of our member-owners. We look optimistically into the future because ALLIANCE Credit Union is well positioned to face all challenges and seize opportunities in 2020.

I want to again express my gratitude for your trust and your continued membership, and I wish you and your families the very best in 2020.

**Rex Andrews**  
*Board Chairman*

More people have access  
to ALLIANCE Credit Union  
than ever before.

## PRESIDENT & CEO REPORT



The credit union movement is alive and well in Lubbock, Texas! ALLIANCE Credit Union ended 2019 stronger than ever with a growing membership and exceptional overall performance. We grew our membership base by 7.22% resulting in a year-end total of 24,522 primary member accounts! As our membership has increased, so have our total assets, allowing ALLIANCE to finish the year at an all-time high of \$279,946,644 in total assets. We achieved an impressive 8% growth in our loan portfolio, ending the year with \$201,506,083 in total loans while maintaining a healthy, below average delinquency ratio of .91%. Charge offs remained low at .22% of total loans. In 2019, ALLIANCE Credit Union recognized \$2,919,009.76 in net profit, allowing your credit union to achieve a remarkable return on assets (ROA) of 1.09%. 2019's outstanding performance, combined with a long history of positive earnings, ensures your credit union remains extremely well capitalized at 15.37% net worth! This is more than double the regulatory requirement of 7% and means that ALLIANCE Credit Union is well insulated from all types of risk.

Our credit union is growing so that we can meet the ever-evolving needs of our members. ALLIANCE members have access to more loan services today, through more channels, than ever before. In response to our members' needs, ALLIANCE made several investments in 2019 to enhance the availability of our mortgage services, ensuring your credit

union can meet all your mortgage needs. In 2019, we received several new approvals that vastly improved your access to a wider range of mortgage lending options.

We were approved by the Texas Veteran Land Board to offer the TVLB loan program to our members. This program provides Veterans, Military Members, and their spouses who are residents of Texas access to even lower rates than a traditional VA Loan.

We received approval by Southeast Texas Housing Finance Corporation to offer their Down Payment Assistance Programs to our members. This allows ALLIANCE to assist eligible members with their down payment and closing costs when purchasing a home.

And finally, we obtained approval directly with the Federal Housing Administration (FHA) to originate FHA loan programs. This allows ALLIANCE the ability to assist our members who have had previous credit problems or limited credit when purchasing or refinancing a home.

In addition to enhancing our lending options, ALLIANCE once again made investments to our digital infrastructure to ensure we can provide everything you need from the convenience of your mobile device or home computer. This involved the roll-out of our new and improved website, upgrades to our mobile app, and the implementation of Meridian Link to offer the smoothest conduit for new accounts and loan processing possible.

Our improvements to your credit union were not only digital, but physical as well. We made great progress towards the eventual opening of our new full-service branch and corporate headquarters located at the corner of Justice

Avenue and Spur 327 in Southwest Lubbock. We expect this project to be completed by Spring 2020 and could not be more excited. We are proud to give back to our members through these investments and remain hard at work to ensure we are the best and most convenient choice for all your banking needs.

Giving back is an important part of the credit union mission. In 2019, ALLIANCE employees volunteered more than 144 hours of their time to organizations such as the Ronald McDonald House, Meals on Wheels, the Salvation Army, Wounded Warriors, Race for the Cure, American Heart Association, Communities in Schools, the State School, and many more.

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*We believe in supporting our community  
and are proud to have a caring staff  
dedicated to the credit union mission.*

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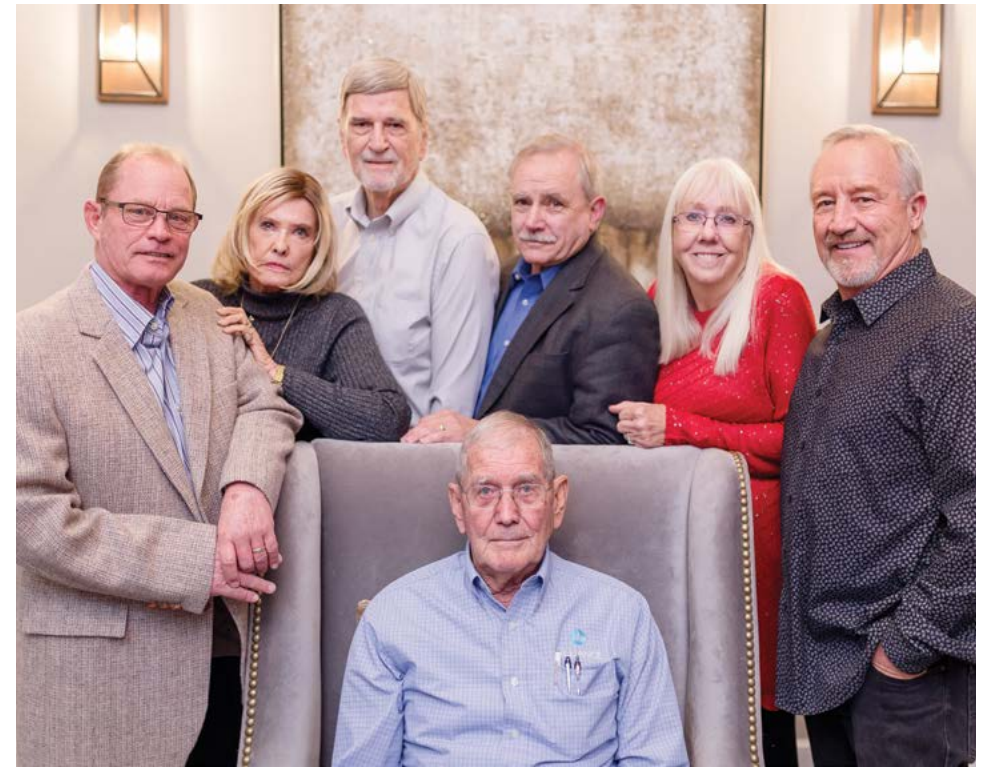
As a not-for-profit financial cooperative, our member-owners are integral to our credit union family, and we are sincerely grateful that you continue to choose ALLIANCE Credit Union as your financial partner. I thank our dedicated board of directors for its continual support of our great institution. They give their time and energy day-in and day-out to make ALLIANCE the resounding success you see today. I also thank our professional staff for all they do to improve ALLIANCE and the financial well-being of its members. The future remains bright for the credit union movement. We are for people, not profit. We are ALLIANCE Credit Union!

  
**Matt Grannan**  
President | CEO





## BOARD *of* DIRECTORS



Pictured from left to right: Kent Ballard, Patsy Wilson, Bob Clemmons, Darrel Crump, Vicki Ritcherson, Rex Andrews; seated: Dewain Collins

*\*Years denote term expiration.*

### **REX ANDREWS**

Chairman | 2022

### **DEWAIN COLLINS**

Vice Chairman | 2020

### **VICKI RITCHERSON**

Treasurer | 2022

### **PATSY WILSON**

Secretary | 2020

### **KENT BALLARD**

2021

### **BOB CLEMMONS**

2021

### **DARREL CRUMP**

2020

ASSETS		2019	2018
Consumer Loans		\$91,494,463.92	\$84,869,688.23
Credit Card Loans		\$4,904,343.76	\$4,764,784.68
Home Loans		\$44,559,221.80	\$40,967,841.01
Business Loans		\$56,946,112.76	\$53,812,703.28
Loans Held for Sale		\$3,601,941.00	\$1,528,099.76
Total Loans		\$201,506,083.24	\$185,943,116.96
Allowance for Loss		\$(520,118.82)	\$(536,884.66)
Net Loans Outstanding		\$200,985,964.42	\$185,406,232.30
Cash		\$16,270,041.92	\$13,454,159.14
Total Investments		\$40,851,221.36	\$36,584,683.44
Total Fixed Assets		\$17,676,319.30	\$12,721,868.26
Total Other Assets		\$4,163,096.57	\$3,854,727.53
Total Assets		\$279,946,643.57	\$252,021,670.67

LIABILITIES, SHARES & EQUITY		2019	2018
Accounts Payable		\$1,535,230.59	\$1,616,772.70
Regular Shares		\$66,076,644.74	\$57,444,817.53
Share Drafts		\$39,832,034.50	\$36,158,826.70
Money Management		\$36,104,186.56	\$35,119,308.37
IRA		\$15,791,232.58	\$16,349,856.21
Share Certificates		\$76,757,398.64	\$65,469,433.91
Total Shares		\$234,561,497.02	\$210,542,242.72
Total Other Liabilities		\$828,515.82	\$633,881.42
Reserves & Undivided Earnings		\$43,021,400.14	\$39,228,773.83
Total Liabilities, Shares & Equity		\$279,946,643.57	\$252,021,670.67

OPERATING INCOME	
Loan Interest Income	\$10,665,818.32
Investment Interest Income	\$1,063,817.05
Operating Income	\$5,094,669.09
Total Gross Revenue	\$16,824,304.46

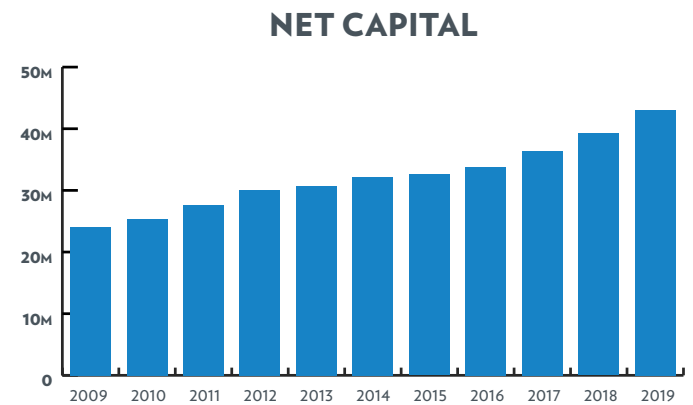
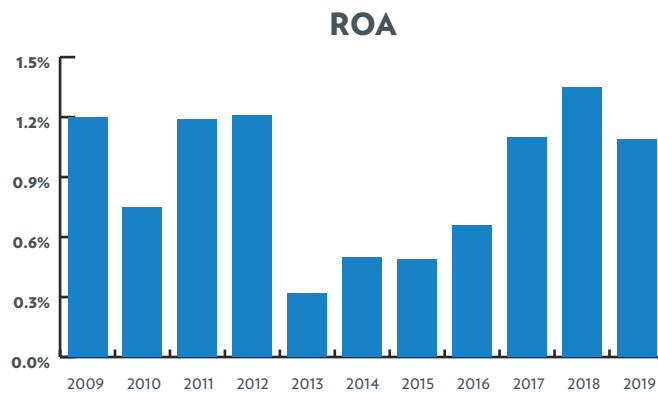
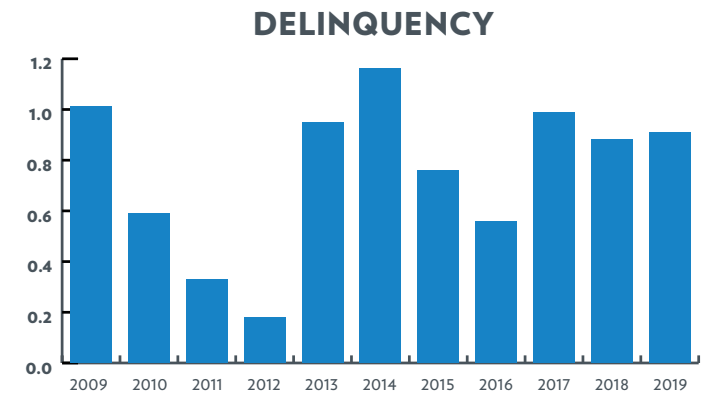
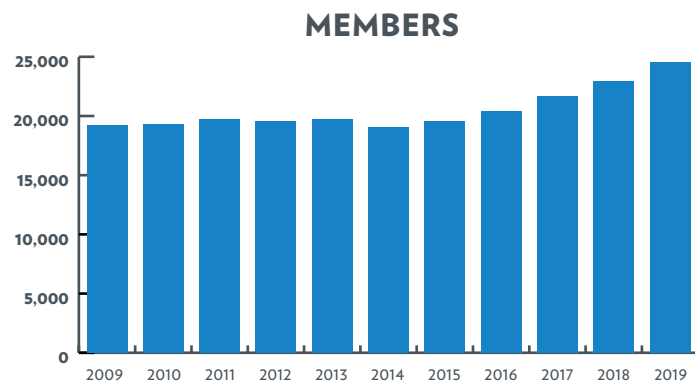
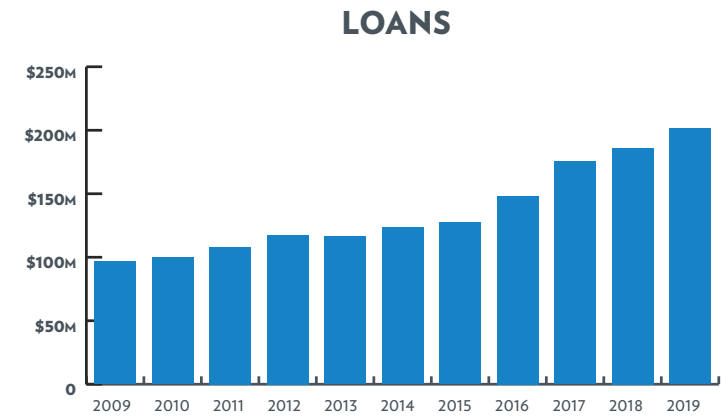
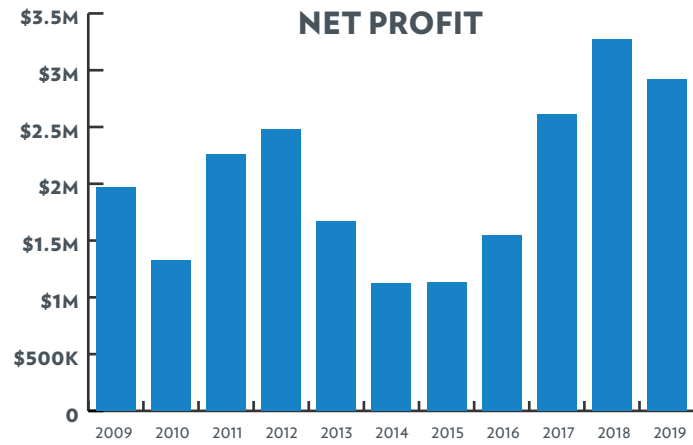
OPERATING EXPENSES	
Employee Compensation	\$4,889,846.42
Employee Benefits	\$1,669,852.65
Board of Director Compensation	\$14,250.02
Travel & Conference	\$201,425.73
Association Dues	\$78,476.85
Office Occupancy	\$1,004,796.27
Office Operations	\$979,316.31
Education & Promotion	\$455,488.15
Loan Servicing	\$716,477.42
Professional Services	\$1,246,047.43
Provision for Loan Loss	\$397,709.23
Misc. Operating Expense	\$142,567.52
Total Operating Expense	\$11,796,254.00

\*2020 projected Board of Directs Compensation = \$45,600.00

Net Income Before Dividends	\$5,028,050.46
Dividend & Interest Expense	\$(2,112,314.69)
Gain/(Loss) on Investments	\$2,574.00
Gain/(Loss) on Disposition of Asset	\$699.99
Gain/(Loss) on Sale of Participation	\$-

Net Income	\$2,919,009.76
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## STAFFING

### LEADERSHIP

Matt Grannan  
Jonathan Brunson  
Josh Wade

### OPERATIONS CENTER

Judy Alvarado  
Tim McClellan  
Devannie Buck  
Emily Hanby

### INFORMATION TECHNOLOGY AND FACILITIES

Clint McQuerry  
Devon Allen  
Bobby Johnston  
Amy Wilkinson

### MARKETING AND BUSINESS DEVELOPMENT

Abbie Jones  
Shannon Dunlap  
Kaci Kennan  
Farah Sickman

### COLLECTIONS

Michael Lopez

### BUSINESS SOLUTIONS

Ashley Barker  
John Ricker  
Brian Riedel  
McKinzie Smith

### HUMAN RESOURCES

Brittany McIntire

### ACCOUNTING

Clay Beardemphl  
Brenda Cambron  
Tyesha Duke  
Traci Moore

### COMPLIANCE

Amber Cook  
Laura Boles  
Juanita Garza

### SUPPORT SERVICES

Marisol Rios

### CONSUMER LENDING SUPPORT

Matthew Davis  
Azzeneth Carabali

### MORTGAGE

Tracy Weatherly  
Richard Beauchamp  
Candice Gerron  
Denise Jones  
Justice McMullen  
Roxanne Montes  
Michelle Mullins  
Tyler Perez  
Normalinda Vasquez

### CHANGES TO MANAGEMENT STAFF

Ashley Lovette, VP of E-Solutions  
Brittany McIntire, VP of HR

## BRANCHES

*Credit Union Bylaws have been amended to include "person(s) who live, work, attend school, or worship in and businesses and other legal entities in Lamb, Hale, Floyd, Crosby, Garza, Lynn and Terry Counties, Texas" in ALLIANCE Credit Union's field of membership.*

### CENTRAL

**2224 34th Street  
Lubbock, Texas 79411**

Susan Urrutia  
Sandeia Starr  
Chloe Respondek  
Lorena Juarez  
Corey Garza  
Riley Willis  
Mary Joe Gonzales

### MEDICAL

**3802 24th Street  
Lubbock, Texas 79410**

Tammy Cox  
Vickie Reynolds  
Collin Longoria  
Bullett Manale  
Ashley Rivera

### MAIN

**6219 Spur 327  
Lubbock, Texas 79424**

Dalton Cockerham  
Roxy Rammage  
Alyssa Rodriguez  
Charles Jones  
Brittanie Webb  
MiKayla Swires  
Laura Mendoza  
Julissa Fuentes

### QUAKER

**8401 Quaker Ave  
Lubbock, TX 79424**

Krishna Saucedo  
Cody Mayfield  
Abraham Bocanegra  
Josh Deluna  
Aaliyah Rendon  
Noah Shedd  
Camie Crump  
Veronica Tello  
Courtney Garner

### NORTHWEST

**1008 Frankford Ave.  
Lubbock, Texas 79416**

Andrew Marmolejo  
Brittainy Trigg  
Kayla Pena  
Griffin King  
Tiffini Lopez  
Shawn Yates  
Clark Cumby

### SOUTH

**2404 82nd Street  
Lubbock, Texas 79423**

Lauri Moreno  
Mari Corredor  
Joann Wales  
Cassie Martin  
Emily Elliott

### SOUTHWEST

**6716 82nd Street  
Lubbock, Texas 79424**

Roger Rivas  
Mary Ann Rinehart  
Bailey Rollins  
Jordan Dain  
Keeli Griffin

### E-SOLUTIONS

Ashley Lovette  
Katy Mire  
Sarah Garcia  
Jeremiah Stewart  
Aaron Bracy  
Jay Mancilla  
Krystal Hedrick  
Zack Hall  
Laura De Los Santos  
Christina Gonzales



# OUR 2019 ACCOMPLISHMENTS

## A Record Year

**\$279,946,643.57**

2019 ALLIANCE CU assets

## 2019 Members

24,522

## Awarded

Best of the West

Best Credit Union



## Verify, Ethoca and Pulse

added fraud security

## Reduced Card Fraud Numbers

43% Reduction in card fraud from 2017, totaling \$18,300.00

## New for You

### Added New Account Types *\*Replaced Star Checking*

- 1 Year Junior Certificate
- Performance Checking
- ALLIANCE Checking
- Opportunity Checking
- Second Chance Checking

### Added SWBC for Collateral Protection Insurance *\*Replaced State National*

### Board of Directors Compensation

### In-House Gap *\*Replaced CUNA GAP*

### Formed ALLIANCE Foundation

### International Wires

### Return Mail Fee

### Free Auto Appraisals



## Midtown Moved

Main Branch & Corporate Offices opening in 2020!



## Tech Yeah!



## Upgraded Website

## Meridian Link

## Added Tokens for Bill Pay Login for Higher Security

## Auto Enrollment in Online Banking

## ALLIANCE Foundation

In order to ELEVATE someone, you must lift them up. But what happens when you let them go? The ALLIANCE Credit Union Foundation was formed to provide just that, a foundation upon which people can grow. Through Education, Leadership, Empowerment, Volunteer work, Advocacy, Transformation and Enrichment, we can ELEVATE the lives of the people we serve.

## Meridian Link

Meridian Link provides a fast, easy approach to online account opening using the convenience of your at-home computer or mobile device. Meridian Link also allows existing members to add new services to their accounts quickly and easily.

## Addendum

BE IT RESOLVED, that Chapter III, Section 3.05, of the credit union's bylaws be amended to hereafter reads as follows:

**(a) Annual Meeting.** Emergency exception to in-person quorum requirement. The credit union may hold its annual meeting of the members, and special members meetings for authorized purposes, virtually and without an in-person quorum if all of the following conditions apply and are certified in meeting minutes by a resolution of the majority of a quorum of the board of directors:

- At least one of the following is located in an area where a federal, state, or local authority has declared a state of emergency or major disaster:
  - all or part of a community the credit union serves; or
  - the credit union's headquarters.
- The credit union has the technological capacity to facilitate virtual meeting attendance, voting, and participation.
- Members receive at least seven days' advance notice of the change to a virtual meeting format and appropriate instructions for how to join, participate, and vote during the virtual meeting.









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