



**59<sup>th</sup>**

# ANNUAL REPORT

March 17, 2022



**Continued Growth**

# A Message from the Chairman and President



We faced another challenging year in 2021, as we all continued to deal with the pandemic. However, despite those challenges, Allegiance Credit Union experienced another year of exceptional growth and performance. Allegiance saw increases in both shares and loan volume, which ultimately resulted in one of the highest growth years in our credit union's history.

We would like to thank our board members and volunteer committee members for another year of dedicated work. Your leadership is necessary to this credit union's continuity. In addition, we'd like to express our appreciation to the management team and staff members of ACU.

Thank you for your hard work and continued flexibility over the past year. Your collaboration, intentionality and smart service resulted in another successful year for our credit union.

Last but certainly not least, we'd like to thank our members. Thank you for the support and compassion you have shown our credit union and our employees over the past couple of years as we all learned to navigate these uncertain times. We are only here because we have you to serve. We know you have options when it comes to where you bank, and we appreciate you choosing to do business with us.

# 58th Annual Meeting Minutes



The 58th Annual Meeting of Allegiance Credit Union was held on Thursday, April 22nd, 2021. Conducted Via: Zoom.

Chairman McVay welcomed everyone and called the meeting to order.

**Chairman's Comments:** Chairman McVay asked for a motion to approve and dispense with the reading of the minutes from the April 23rd, 2020 Annual Meeting. Motion carried.

**Election Results:** The candidates elected are Mr. Mel McVay and Mr. Jim Hargrove. These candidates will serve a three year term on the Board of Directors for Allegiance Credit Union. We look forward to their continued leadership.

**Chairman's Report:** Mr. McVay presented the Chairman's report to the members.

Chairman's report received.

**President's Report:** Mrs. Downs presented the President's report to the members.

President's report received.

**Treasurer's Report:** Mr. Hargrove presented the Treasurer's Report to the members.

Treasurer's report received.

**New Business:** Chairman McVay asked if there were any items for new business. There were no new items presented.

**Adjournment:** Chairman McVay asked for a motion for adjournment of the 2021 Allegiance Credit Union Annual Meeting. Motion to adjourn approved.

Certified true and correct copy to the Minutes of the Annual Meeting held April 22nd, 2021.

**Angela Holland**  
Recording Secretary

**Mel McVay**  
Chairman

# Board of Directors Election



Jeri is a CPA and Partner at RedOak Accounting Advisors, PLLC where she has been for over 8 years. She has over 15 years of accounting/financial experience and training in various industries. She served on the Supervisory Committee of Allegiance Credit Union for one year before moving into Associate Director Role on the Board of Directors. Jeri was appointed to the Board of Directors in 2019 and is currently serving as Treasurer of the Board. She previously served as Senior Auditor and Audit Manager on the external audit of Allegiance Credit Union for multiple years. She also serves as a board member of the Parkinson's Foundation of Oklahoma. Jeri holds a BBA in Finance and BS in Accounting.



John was the President/CEO of Consumer Credit Counseling Services of Central OK from 2003-2020. His work experience includes leadership roles at Trinity Management Group LLC, Advanced Financial Solutions, Alltel Information Services, Liberty BanCorp, and Bank of OK Corp Services. In addition to serving on the Board of Directors, John has also served on ACU's ALM and Policy & Planning committees. He is also a previous member of the American Bankers Association and Oklahoma Bankers Association.

John holds a BS from Southern Nazarene University. He is also a graduate of the School for Bank Administration at the University of Wisconsin and the Business School of Banking at the University of Oklahoma.



Lance is the President of Payroll, HCM & Point of Sales Solutions at Heartland Payment Systems. His previous work experience includes HR and recruitment leadership roles at Patterson-UTI, Chesapeake Energy, Petra Industries and Healthcare Recruitment Solutions. He was appointed to the Board of Directors in April 2018, and currently serves as Assistant Secretary of the Board and Chairperson of the Personnel Committee.

In addition to his work experience, Lance has sat on advisory boards for the Universities of Central Oklahoma and Oklahoma State, served as Chair of Big Brothers Big Sisters 2022 Annual Fundraising Event, Taste of OKC, and sits on the Board of Directors for the OKC Arts Council.

Lance holds a BS in Business Management.

# Credit Manager's Report



ACU had another great year in 2021. Consumer and Mortgage lending showed strong results. Combined, the lending portfolio was up 11% which is very solid growth.

## Loans By Category

Consumer Loans	\$44,430,607
Indirect Auto Loans	\$127,627,123
Mortgage Loans	\$115,263,343
Participation	\$3,464,544
Business	\$2,351,103

ACU management and staff are looking forward to 2022. This past year saw a competitive buyers' market in mortgage lending, dwindling inventories in auto lending, the resurgence of the pandemic and now going forward, it looks like rate hikes are on the horizon. Every year comes with new dynamics, some good

and some challenging. However, regardless of what comes our way, be certain that our focus will remain on serving our members. Whether you're buying your first car or first home, we want to be with you every step of the way. Our members are the strength of the Credit Union!





# Supervisory Committee Report



The Board of Directors appoints the members of the Supervisory Committee. The Committee is responsible for determining that the credit union records are properly maintained, prudent level of internal control is in place, and the credit union operates in compliance with laws, regulations and the Board of Directors' policies and directives.

We engaged the CPA firm of Finley and Cook, PLLC to complete a certified audit of the credit union as of September 30, 2021. Their opinion letter stated that financial statements presented fairly the financial position of Allegiance Credit Union.

We utilized the consulting services of Credit Union Resources this year to complete reviews relating to compliance with laws and regulations. CU Resources also serves as our Internal Auditor. They complete a schedule of internal audits and reviews approved by the Committee and the Board of Directors. They determined that the

credit union maintains a prudent level of internal control and operates within the Board of Directors' policies and directives. Both of these reports provides assurance that Allegiance Credit Union is operating safely and effectively.

I would like to thank each volunteer member of the Supervisory Committee for the time they spend fulfilling their responsibilities to the members of the credit union. The 2021 members of the Committee included Sharon Haley (who recently retired from the Committee after serving as Chair for many years), John Norberto (Current Chair), Mike Kelley, Tim Van Horn and Stacy Dawson.

In addition I would like to thank the management and employees of the credit union for the assistance and cooperation they give the Committee throughout the year.

**John Norberto**

Supervisory Committee Chair

# Treasurer's Report



When we reflect on 2021, I believe the best way to describe it is “The Year of Continued Growth”. Despite the uncertainty of the past two years, Allegiance continued to grow in all aspects of the Credit Union.

We experienced incredible loan growth in consumer and mortgage loans in 2021, yet again demonstrating that Allegiance continues to provide its members with competitive loan rates, innovative products, and excellent service.

In addition, we grew our member share accounts and overall total assets, as well as saw new members join the Allegiance family, increasing our total membership to over 26,000. These, as well as the numerous unnamed successes of 2021, could not be achieved without all of those in the credit union family--from leadership, to management and staff, to our members.

To our board of directors and supervisory committee: Thank you for each and every contribution you’ve made to ensure the long-term success of the credit union.

To our management and staff: Without your dedication and hard work to maintain Allegiance’s promise of providing exceptional service to our members, we would not be where we are today. For this, we cannot thank you enough.

And to our valued credit union members: Our success is a direct reflection of the trust you’ve bestowed upon us. This trust and loyalty you’ve provided, is invaluable to our Credit Union and we are continually grateful. We look forward to what successes and achievements this next year will bring.

**Jeri Brooks**  
Treasurer



# Financial Statement



## ASSETS

Loans	\$294,233,373
Allowance for Loan Loss	\$(1,133,392)
Cash	\$26,677,259
Investments	\$42,649,756
Land & Buildings	\$5,544,388
Other Assets	\$8,053,659
Total Assets	\$376,025,043

## LIABILITIES & EQUITIES

Accounts Payable	\$920,701
Accrued Expenses	\$651,429
Member Shares	\$347,163,456
Reserves	\$27,289,457
Total Liabilities & Equity	\$376,025,043

## STATEMENT OF INCOME

Interest on Loans	\$10,009,385
Income from Investments	\$739,609
Other Income	\$5,609,789
Total Income	\$16,358,783

## INCOME DISTRIBUTION

Dividends Paid to Members	\$1,238,302
Operating Expenses	\$13,097,320
Provision for Loan Loss	\$(169,711)
Reserve Transfer	\$2,192,872
Total Income Distribution	\$16,358,783

**Trey Graham**  
Chief Financial Officer



Moving Forward:  
Making the best  
of every day





## Continued Growth: Celebrating Our Family and Community



**Allegiance**  
CREDIT UNION

[allegiancecu.org](http://allegiancecu.org)  
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Allegiance Federal Credit Union