



61st ANNUAL REPORT

MARCH 21, 2024



Allegiance™
A CREDIT UNION FOR ALL



A Message from the *Chairman & President*



Lance Haffner Chairman



Amy Downs President/CEO

Allegiance Credit Union had a successful 2023, ending the year with \$350 million in assets and approximately 24,000 members. Fulfilling the credit union mission of “People Helping People” continues to be the driving force behind everything we do. Over the past year, we’ve introduced a new free credit monitoring service inside our online and mobile banking, offered \$250 incentives for both new loans and checking accounts, and developed a new member referral program to thank you for bringing your family and friends to Allegiance.

We would like to thank our board members and volunteer committee members for your continued

dedication to the credit union. Your superior leadership is essential to its success and continuity. In addition, we’d like to express our appreciation to the management team and staff members of Allegiance Credit Union. We want to thank each of you for your hard work and dedication to serving our members. Your collaboration and commitment resulted in another very successful year for the credit union.

Last but certainly not least, we’d like to thank our members. We know you have options when it comes to where you bank, and we sincerely appreciate that you continue to choose Allegiance Credit Union to meet your financial needs.



60th Annual Meeting Minutes

The 60th Annual Meeting of Allegiance Credit Union was held on Thursday, March 16th, 2023.

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 March 17th, 2022, Annual Meeting. Motion carried.

Election Results: The candidates elected are Mrs. Carrie Evans and Ms. Vanessa Thurman. 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: Mrs. Jeri Brooks 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 2023 Allegiance Credit Union Annual Meeting. Motion to adjourn approved.

Certified true and correct copy to the Minutes of the Annual Meeting held March 16th, 2023.

Mel McVay
Chairman

Angela Holland
Recording Secretary

Board of Directors Election



Angie Christopher Incumbent

Angie is the Global Vice President of Human Resources at 180 Medical, a subsidiary of Convatec. Her career also includes working as a Litigation Attorney/Director of Training and Vice President of Human Resources for the Oklahoma Farm Bureau, as well as leadership roles with American Fidelity and Oklahoma City Community College.

Angie was appointed to our Board of Directors in 2023. She also serves on the board of the following organizations: Urban League of Greater Oklahoma City, Oklahoma City Public Schools Community Advisory Board, and Family Builders, Inc.

She graduated with a Bachelor of Arts and Juris Doctor (JD) from the University of Oklahoma.



Jim Hargrove Incumbent

Jim worked 41 years for the Federal Government in both the Government Accountability Office and the Office of Inspector General – Department of Health and Human Services. He then spent 12 years working as a manager for a non-profit government contractor that ensured the integrity of Medicare and Medicaid programs.

Jim has been a member of Allegiance since 1977. He served on the Supervisory Committee for 15 years and has been a board member for over 13 years now.

He has a Bachelor of Business Administration with a major in Accounting from the University of Oklahoma.



Mel McVay Incumbent

Mel is a senior and founding partner of the law firm Phillips Murrah P.C., with a law practice focus on the legal rights of financial institutions. He is a former member of the Board of Directors for the Oklahoma Health Care Authority, former Adjunct Professor of Business Law at the University of Central Oklahoma, and a speaker for the National Business Institute on the legal rights of financial institutions.

Mel has served on our Board of Directors for over 25 years, including several years as Chairman. In the past, he has also served on the ALM, Budget, Delinquent Loan, Marketing, Personnel, and Policy and Planning Committees.

He has a Bachelor of Science in Business/Marketing, a Master of Business Administration and a Juris Doctor (JD).



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, 2023. 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 2023 members of the Committee included John Norberto (Current Chair), Mike Kelley, Tim Van Horn, Sabrina Waner, 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

In 2023, we continued to see the return of normalcy in the financial sector. It was a year when strategic planning continued to play a vital role in the success of the Credit Union.

Federal interest rates rose even higher and reached the highest point in 20+ years. Delinquency and charge offs were on the rise across the industry. Allegiance's loan portfolio continued to perform admirably. This is a demonstration of the competitive loan rates, innovative products, and excellent service Allegiance continues to provide its members.

Allegiance completed the year with a solid bottom line in spite of the continuing inflation pressures, high federal interest rates pressures, and signs of increased delinquency and charge off within the industry. Overall revenues remained strong and exceeded projected figures while continuing to keep pace with higher dividend expenses. This provided Allegiance with a solid net profit. These successes as well as those unnamed, are a testament not only to Allegiances' 24,000-member family, but also to management, staff, and directors.

All that being said, it is time to give credit where credit is due:

To our valued credit union members: Thank you! Thank you for continuing to choose Allegiance. Thank you for the trust you and your families have bestowed upon us. This trust and loyalty you have provided is priceless to our Credit Union and we are continually grateful. We look forward to our continued relationship and future successes together.

To our board of directors and committee members: Thank you! Thank you for the time each and every one of you has invested in our credit union. The involvement and commitment you have made has and will continue to ensure the long-term success of Allegiance.

To our management and staff: Thank you! Thank you for your continued dedication and commitment to maintain Allegiance's promise of providing exceptional service to our members. Allegiance would not be where it is today without you. Each of you plays an integral role in our continued success. But more importantly, you help complete the Allegiance family.

2023 was a momentous year and together we can make 2024 even better!

Jeri Brooks
Treasurer



Financial Statement



ASSETS

Loans	\$267,797,730
Allowance for Loan Loss	\$(1,452,312)
Cash	\$33,041,297
Investments	\$35,166,454
Land & Buildings	\$5,188,003
Other Assets	\$10,294,649
Total Assets	\$350,035,821

LIABILITIES & EQUITIES

Accounts Payable	\$913,009
Accrued Expenses	\$843,200
Member Shares	\$323,112,076
Reserves	\$25,167,536
Total Liabilities & Equity	\$350,035,821

STATEMENT OF INCOME

Interest on Loans	\$12,054,143
Income from Investments	\$1,845,023
Other Income	\$4,522,566
Total Income	\$18,421,732

INCOME DISTRIBUTION

Dividends Paid to Members	\$2,366,399
Operating Expenses	\$13,888,966
Provision for Loan Loss	\$1,266,849
Reserve Transfer	\$899,518
Total Income Distribution	\$18,421,732

Trey Graham
Chief Financial Officer





***Thank you for choosing us to
meet your financial needs!***



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405-789-7900

Allegiance Federal Credit Union