



Alhambra

CREDIT UNION

December 2023

Board Packet

- Board Minutes
- Monthly Budget Review
- Loan Report
- New and Closed Accounts
- Delinquency Report
- Additional Reading Materials

Mission Statement: Provide Products and Services That Enhance Our Member's Lifestyle.

Vision Statement: A Respected and Trusted Credit Union Focused On You, Your Family, and Our Community.



MINUTES
BOARD OF DIRECTORS MEETING
On November 29, 2023

The meeting of the Board of Directors was called to order at 4:41 p.m. by Chairman Deborah Hallahan via Zoom.

Attendance

Jesse Linderman Treasurer	Cathy Poplin-Lutz Director	Carlos Gutierrez Vice Chair	Norma Pacheco Director
Jacqueline Espinoza Director			

Excused

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Others Present

Eddie Moraga, President, CEO	Arleth, Accounting Mgr.	
Cody Howard, Sr. Audit Manager	Erma Frank, Collection Mgr.	

A quorum was determined.

No time constraints

APPROVAL OF AGENDA

A motion was made by Cathy Poplin-Lutz, seconded by Norma Pacheco, to approve the agenda. Motion carried 6-0.

DISCUSSION ITEMS

Doeren Mayhew Presentation

Cody Howard spoke to the board about the accounting audit for the year ending June 2023. This audit looks into lending, cash, deposits, and accounting. The purpose of the audit is to test controls and ensure there are no errors. He explained the member verifications they made, the positive and negative ones. Positive requires members to respond back, and negative, the members don't need to communicate unless something is wrong.

Cody Howard summarized our financial statements, discussing the balance sheet, income statement, allowance disclosures, and net worth. He explains the increase in interest income and interest expense, the provision expense, and the decrease in non-interest income. He also discusses the increase in real estate home equity loans and the reportable delinquency, which has caused the delinquency ratio to

increase. Cody Howard emphasizes the importance of funding the allowance balance through the provision expense.

Cody Howard explains the three significant risks identified during the audit and the audit findings, which were due to issues from the core conversion. He also discusses the credit union's liability and receivable balances and the write-off of \$12,000. Cody Howard expresses gratitude and availability as an advisor throughout the year. Eddie Moraga confirms that the audit findings have been corrected, and they will use the advisory part of the contract.

President's Report

Eddie reported, Return-on-assets for October was .34%, and year-to-date is 0.28%. Year-to-date assets have decreased by 8.69%. Assets and loans slightly decreased month over month.

Eddie reported he had uploaded the 2024 Strategic Business Plan with no significant changes to what was discussed except for the mission statement approval.

Eddie reported that Doeren Mayhew's final audit report was uploaded to the portal. He will be sending the final report to the state. The ACH audit final report was also uploaded to the portal; there were zero findings in that audit. The ACH audit went well, and the credit union was rated Effective, which complies with 2023 Nache Operating rules.

He discussed the Safe Act Audit was completed by Erma Frank and Sophia Arellanes. This is part of the mortgage compliance for HELOC loans. Everything was within guidelines, and the report was uploaded to the portal for review. The collection department oversees the internal audit of the credit union's loan department.

Eddie Moraga updates the group on the status of the malfunctioning ATM and the decision to upgrade to new ATMs with Cook Solutions Group. The cost and features of the new ATMs are discussed, as well as the potential for member fees at other ATMs. He discussed why he is going with Cook Solution as the ATM vendor. Sonia and Eddie have been meeting with Cooks Solution for six months and feel confident in their decision. The total purchase price is roughly 10k lower because it will be a regular ATM with no ITM prep.

Policy changes update.

This month, four policies with no changes are up for review: IT Security, Mobile Private, Preservation of Vital Records, and Succession.

Suspicious Activity Reports

None

Action Items

Recommended Monthly Charge-Off – November \$24,779.42

- Used Vehicle 1 - \$12,536.62
- Indirect UV 1- \$11,790.56
- Visa 2 - \$452.24

There was no change to the recommended October charge-off amount.

A motion was made by Norma Pacheco, seconded by Carlos Gutierrez, to approve the November charge of \$24,779.42.

Motion carried 6-0.

ACH Audit

A motion was made by Cathy Poplin-Lutz, seconded by Norma Pacheco, to approve the ACH Audit report.

Motion carried 6-0.

SAFE Act Audit

A motion was made by Jesse Linderman, seconded by Norma Pacheco, to approve the SAFE Act audit report.

Motion carried 6-0.

Ratification of ATM Purchase

A motion was made by Cathy Poplin-Lutz, seconded by Jacqueline Espinoza, to approve ratification of ATM purchase.

Motion carried 6-0.

Doeren Mayhew Final Audit Report

A motion was made by Norma Pacheco, seconded by Cathy Poplin-Lutz, to approve Doeren Mayhew's final audit report.

Motion carried 6-0.

2024 Strategic Business Plan

A motion was made by Deborah Hallahan, seconded by Jesse Linderman, to approve the 2024 Strategic Business Plan.

Motion carried 6-0.

4th Quarter Dividend Rates

A motion was made by Jesse Linderman, seconded by Norma Pacheco, to approve no changes to 4th Quarter Dividend rates.

Motion carried 6-0.

COMMITTEE REPORTS

Supervisory Committee

Cathy Lutz and Eddie Moraga discuss the account verifications and committee reports. Lutz reports on verifying loans, accounts, loans, and shares and the postponement of two items to January. Cathy said everything was well done and Doeren Mayhew helped with the account verifications. She stated documentation would be available in the board portal. All the audits the supervisory committee has been doing follow the NCUA guidelines.

ALCO

Everyone was present for ALCO and did not repeat.

Consent Items

Norma Pacheco made a motion, seconded by Cathy Poplin-Lutz, to approve the Consent Items listed from A to I.

Motion carried 6-0.

BOARD MEETING DATES

There is no December meeting.
January 31st

ADJOURNMENT

The meeting adjourned at 5:11 p.m.
Motion carried 6-0.

Respectfully submitted by,

attested by,

Jacqueline Espinoza, Secretary

Deborah Hallahan, Chairman

Alhambra Credit Union

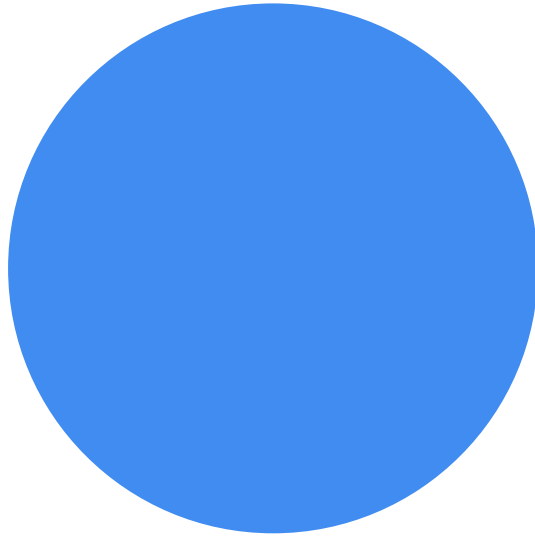
Funded Loans by Product and Tier

State(s): All; Region(s):All; Seller(s):All
For applications funded between 11/01/2023 and 11/30/2023; Source Platform: All

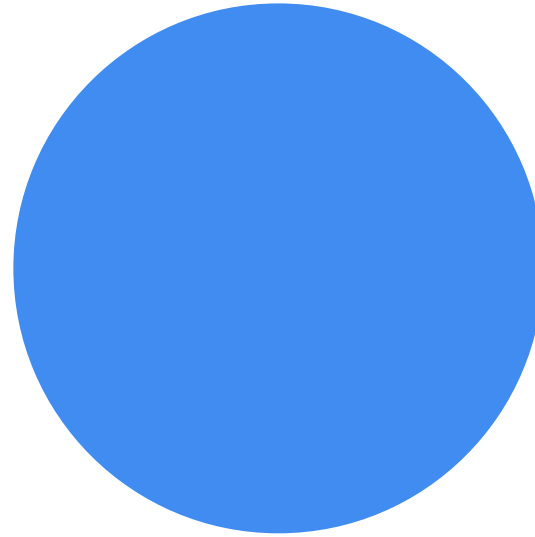
Funded Applications by Loan Product

Funded Amount by Loan Product

Used Auto (100.0%)



Used Auto (100.0%)



* This is Funded LTV: (Sum(Amount Financed/Vehicle Value)) / Count of loans funded by tier

** This is Funded LTV(excl. Paper Add-Ons): (Sum(Amount Financed less (Paper Add-ons)/Vehicle Value)) / Count of loans funded by tier

*** This is Primary Applicant's CB1 score

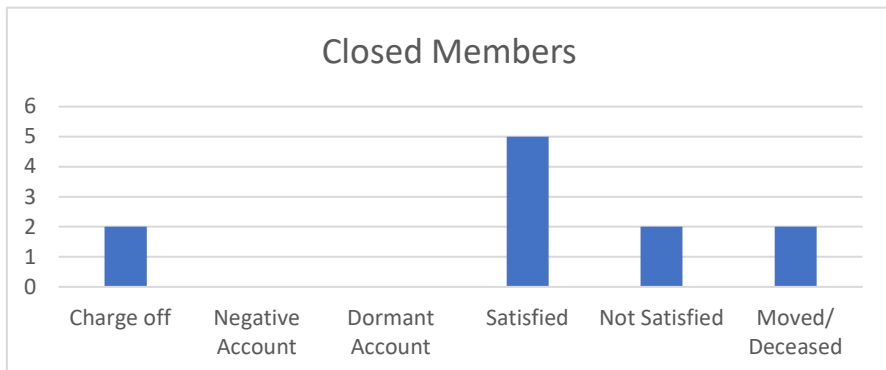
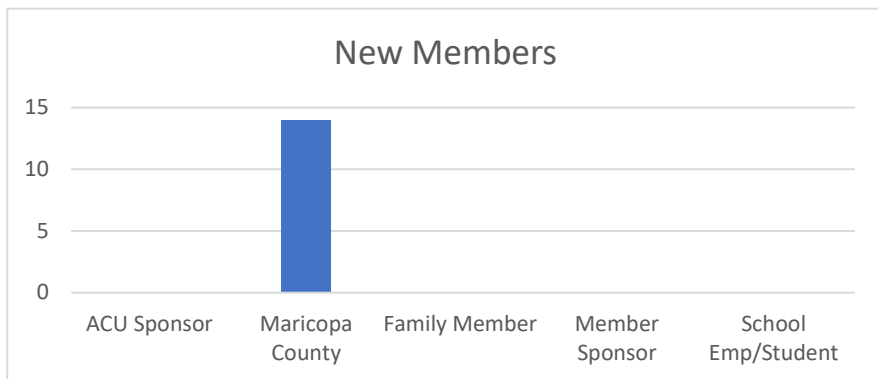
Alhambra Credit Union

Funded Loans by Product and Tier <i>State(s): All; Region(s):All; Seller(s):All</i> <i>For applications funded between 11/01/2023 and 11/30/2023; Source Platform: All</i>											
Tier	# of Loans Funded	% by Loan Product	% by Total	Funded Amount	Avg Funded LTV*	Avg Funded LTV (excl. Paper Add- Ons)**	Avg CB1 Score***	Avg Term	Avg Contract Rate	Avg Buy Rate	Avg Spread
Used Auto											
F	1	100.00%	100.00%	\$13,695.00	0.87	0.82	609	48	17.50	0.00	0.00
Total: Used Auto	1		100.00%	\$13,695.00	0.87	0.82	609	48	17.50	0.00	0.00
Total: Alhambra Credit Union	1			\$13,695.00	0.87	0.82	609	48	17.50	0.00	0.00

* This is Funded LTV: (Sum(Amount Financed/Vehicle Value)) / Count of loans funded by tier

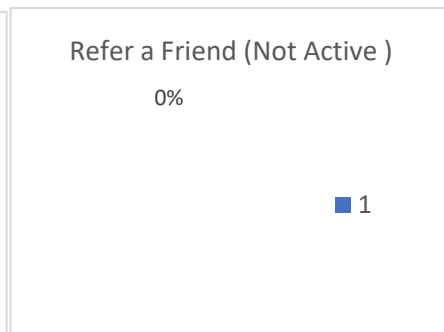
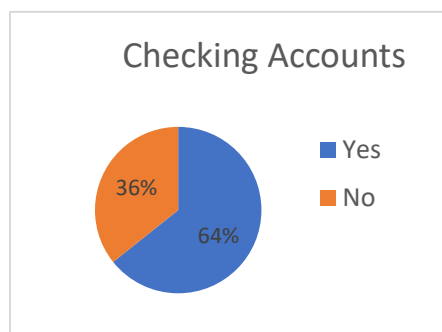
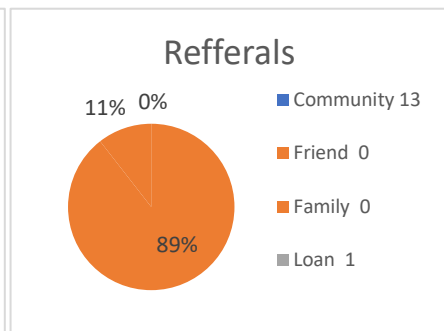
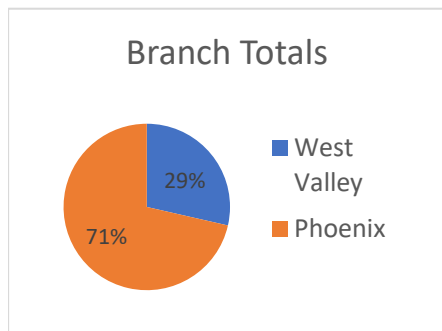
** This is Funded LTV(excl. Paper Add-Ons): (Sum(Amount Financed less (Paper Add-ons)/Vehicle Value)) / Count of loans funded by tier

*** This is Primary Applicant's CB1 score



Comments: Account closed "Not Satisfied" due to inconvenient location/hours

Other Data:



New Members

ACU Sponsor	0
Maricopa County	14
Family Member	0
Member Sponsor	0
School Emp/Student	0
Total	14

Closed Members

Charge off	2
Negative Account	0
Dormant Account	0
Satisfied	5
Not Satisfied	2
Moved/ Deceased	2
Total	11

Net New Members **3**

YTD New Members

ACU Sponsor	2
Maricopa County	243
Family Member	5
Member Sponsor	3
School Emp/Student	1
Total	254

YTD Closed Members

Charge off	10
Negative Account	9
Dormant Account	91
Satisfied	74
Not Satisfied	14
Moved/ Deceased	35
Total	233

YTD Net New Members **21**

Loan Totals

New Loan Origination Credit Tiers

A+	1	\$1,000
A	4	\$65,700
B	3	\$90,600
C	5	\$39,771
D	0	\$0
E	3	\$5,025
F	2	\$18,795
	18	\$220,891

New Loan Origination Type

New Vehicle (05)	1	\$25,196
Indirect New Vehicle (04)	0	\$0
Used Vehicle (07)	3	\$21,225
Indirect Used Vehicle (06)	1	\$13,795
Unsecured (20)	6	\$21,600
PLC (13)	1	\$500
APL (21)	3	\$1,575
Motorcycle	0	\$0
Share Secured	0	\$0
Recreation Vehicle	0	\$0
HELOC	3	\$137,000

New loans	18	\$220,891	Nov. Weighted Avg. Yield	9.86%
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Total New loans and Re-Advance	670	\$ 307,213.76	Weighted Avg. Yield	10.01%
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MONTHLY BUDGET REPORT
2023



	Budget-Mo	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD actual	YTD budget	Variance
														Plus budget		
Loan Income	122,083	121,253	110,629	122,048	116,705	116,561	113,759	115,345	121,519	122,300	121,977	118,302	121,027	1,421,425	1,465,000	(43,575)
Investment Income	9,500	17,495	12,056	13,570	13,430	18,074	15,125	14,454	12,840	11,519	12,471	12,087	11,044	164,165	114,000	50,165
Fee/Misc Income	63,083	56,694	52,428	50,824	51,081	51,081	55,171	54,555	56,314	52,898	53,633	50,351	52,022	637,052	757,000	(119,948)
Gross Income	194,667	195,442	175,113	186,442	181,216	185,716	184,055	184,354	190,673	186,717	188,081	180,740	184,093	2,222,642	2,336,000	(113,358)
Comp/Benefits	73,667	75,527	73,360	70,940	73,679	77,767	77,763	74,151	75,164	71,393	74,143	74,550	74,932	893,369	884,000	9,369
All Other Expenses	88,074	89,406	70,362	80,630	83,788	89,697	80,115	84,317	89,143	98,400	86,464	88,193	85,546	1,026,061	1,056,886	(30,825)
Total Operating Exp	161,741	164,933	143,722	151,570	157,467	167,464	157,878	158,468	164,307	169,793	160,607	162,743	160,478	1,919,430	1,940,886	(21,456)
Dividends	8,167	5,492	4,993	5,399	5,335	5,460	5,411	5,996	3,883	5,923	7,352	7,996	8,374	71,614	98,000	(26,386)
Prov for Loan Loss	10,000	10,000	10,000	34,029	18,017	8,000	10,382	14,110	16,977	1,601	10,787	10,000	23,828	167,731	120,000	47,731
ROA	14,760	15,017	16,398	(4,556)	397	10,206	10,382	5,779	5,505	9,401	9,500	-	(8,588)	69,441	177,114	(107,673)
%		0.51%	0.56%	-0.16%	0.01%	0.35%	0.36%	0.20%	0.20%	0.33%	0.34%	0.00%	-0.31%	0.21%	0.50%	
														YTD actual	Budget	
Total Assets		35,045,179	35,073,494	34,837,446	34,282,737	34,407,819	34,157,123	32,239,768	32,242,748	32,538,698	32,093,463	30,885,562	31,010,785	31,010,785	36,100,000	(5,089,215)
Total Loans		22,049,640	22,420,629	22,093,441	21,842,803	21,627,273	21,576,325	21,635,082	22,147,426	21,882,488	21,679,338	21,259,997	21,187,712	21,187,712	23,000,000	(1,812,288)
Delinq Ratio 60+ day	1.0%	2.35%	1.78%	1.60%	1.26%	0.76%	0.73%	1.68%	1.64%	1.66%	1.67%	1.48%	1.25%	1.25%	1.00%	0.25%
Net Chg offs	10,000	2,768	18,167	28,685	12,591	11,935	13,775	13,898	10,681	2,790	3,607	24,725	26,998	170,620	120,000	50,620
Employee Cost/day(21 day avg)	3,508	3,597	3,493	3,378	3,509	3,703	3,703	3,531	3,579	3,400	3,531	3,550	3,568			
Net worth		8.84%	8.88%	8.93%	9.08%	9.07%	9.17%	9.73%	9.75%	9.69%	9.85%	10.24%	10.17%	10.17%	9.02%	1.15%
Total Fixed Assets		1,096,819	1,093,482	1,089,341	1,085,200	1,081,059	1,076,918	1,072,777	1,068,636	1,064,501	1,060,453	1,056,423	1,052,468			
Fixed assets/assets <5%		3.13%	3.12%	3.13%	3.17%	3.14%	3.15%	3.33%	3.31%	3.27%	3.30%	3.42%	3.39%			

New Vehicle			Used Vehicle			Secured (Other)			Unsecured		
Days Delinquent	Count	Amount	Days Delinquent	Count	Amount	Days Delinquent	Count	Amount	Days Delinquent	Count	Amount
60 to 89 Days	0	\$ -	60 to 89 Days	2	\$ 77,209.45	60 to 89 Days	0	\$ -	60 to 89 Days	2	\$ 1,309.12
90 to 179 Days	0	\$ -	90 to 179 Days	5	\$ 70,380.51	90 to 179 Days	0	\$ -	90 to 179 Days	2	\$ 618.00
180 to 359 Days	0	\$ -	180 to 359 Days	1	\$ 19,359.45	180 to 359 Days	1	\$ 44,354.59	180 to 359 Days	2	\$ 370.67
360+ Days	0	\$ -	360+ Days	0	\$ 9,584.81	360+ Days	0	\$ -	360+ Days	0	\$ -
Total Delinquencies	0	\$ -	Total Delinquencies	8	\$ 176,534.22	Total Delinquencies	1	\$ 44,354.59	Total Delinquencies	6	\$ 2,297.79
DQ Ratio		0.00%	DQ Ratio		0.83%	DQ Ratio		0.21%	DQ Ratio		0.01%
Recoveries		\$0.00	Recoveries		\$0.00	Recoveries		\$0.00	Recoveries		\$1,375.21

Indirect Lending New Vehicle			Indirect Lending Used Vehicle			HELOC			Credit Card		
Days Delinquent	Count	Amount	Days Delinquent	Count	Amount	Days Delinquent	Count	Amount	Days Delinquent	Count	Amount
60 to 89 Days	0	\$ -	60 to 89 Days	1	\$ 540.16	60 to 89 Days	1	\$ 7,524.59	60 to 89 Days	4	\$ 3,363.11
90 to 179 Days	0	\$ -	90 to 179 Days	5	\$ 34,920.91	90 to 179 Days	0	\$ -	90 to 179 Days	5	\$ 5,558.39
180 to 359 Days	0	\$ -	180 to 359 Days	2	\$ 23,508.64	180 to 359 Days	0	\$ -	180 to 359 Days	1	\$ 891.41
360+ Days	0	\$ -	360+ Days	1	\$ 16,065.86	360+ Days	0	\$ -	360+ Days	0	\$ -
Total Delinquencies	0	\$ -	Total Delinquencies	9	\$ 75,035.57	Total Delinquencies	1	\$ 7,524.59	Total Delinquencies	10	\$ 9,812.91
DQ Ratio		0.00%	DQ Ratio		0.35%	DQ Ratio		0.04%	DQ Ratio		0.05%
Recoveries		\$250.00	Recoveries		\$400.00	Recoveries		\$0.00	Recoveries		\$258.27
Total Delinquencies									TDR's (informational pupose only)		
Days Delinquent	Count	Amount							Type	Count	Amount
60 to 89 Days	10	\$ 89,946.43									
90 to 179 Days	17	\$ 111,477.81									
180 to 359 Days	7	\$ 88,484.76									
360+ Days	2	\$ 25,650.67									
Total Delinquencies	36	\$ 315,559.67									
DQ Ratio		1.48%							Total Loans		
Recoveries		\$2,283.48	\$21,259,997			\$54.45					

Loans charged off in November (Actual)						Loans to be charged off in December					
Name	Acct #	Type/Tier	Comments	Int Pd	C/O Amount	Name	Acct #	Type/Tier	Comments	Int Pd	C/O Amount
Luis Chairez	Phx213	UV/C	Deficiency bal		\$12,536.62	Daniel Wallace	Phx847	IND/UV/C	Def balance	\$ 5,418.52	\$ 16,040.86
Marcus Lewis	Phx620	VCC			\$397.79	Daniel Davis	Phx629	UV/E	Def balance	1484.36	\$ 9,559.81
Ricardo Bautista	Phx602	IND/UV/D	Deficiency bal		\$11,790.56	Joe Garcia	Phx409	PLC/D	Member deceased	105.56	\$ 864.64
						Manuel Alvarado	Phx757	CP			\$ 217.86
						Tina Ciampaglia	Phx301	CP			\$ 206.72
						Araceli Hrtnandez	Phx 262	CP			\$ 60.96
						Vizguel Ngiraked	Phx262	CP			\$ 47.63
			Total Charge-offs	verified	\$24,724.97						
			Total Recoveries		\$2,283.48						
			Net		\$ 22,441.49						
										Total	\$ 26,998.48