



# ENRICHING LIVES EMPOWERING DREAMS

2018 ANNUAL REPORT





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## OUR MISSION

# Enriching Lives & Empowering Dreams

Enriching Lives and Empowering Dreams was introduced in 2017. A mission statement defines why an organization exists. For a financial institution, is there a better reason for being around than enriching lives and empowering dreams?

Enriching lives is certainly about improving the financial circumstances of individuals and families. Enrichment is also about a wealth of cultural and educational experiences. It's challenging the status quo, and making volunteerism a status symbol. It's about supporting worthy causes and elevating communities.

*Empowering dreams is about giving people the tools and opportunities to make their own come true.*

Empowering dreams is about giving people the tools and opportunities to make their own come true. It's the college scholarship, the contribution to an art museum, the small business loan to someone with big plans. Empowering dreams

is creating self-confidence with a first time auto buyer program or second chance checking account. Dreams often need to be financed. That's why we're here.

Our mission statement is the open ended promise we make to Members, the communities we serve, and our staff. It's the goal we set for ourselves, the twin targets we aimed for in 2018, and always will. Enriching lives and empowering dreams is not our slogan. It's our purpose.



**384**  
Employees



**128K**  
Members



**13**  
Branches



**4,421**  
New Vehicle  
Loans



**6,827**  
Used Vehicle  
Loans



**387,773**  
Calls to  
Service Center



**95,616**  
Mobile Banking  
Users



**996,575**  
Credit Card Transactions

**26,519,997**  
Debit Card Transactions

**95,792**

Checking Accounts

**14,813**

iChecking Accounts

**\$14,462,666**

Total Income

**\$1,415,150,496**

Total Assets

**10.91%**

Net Worth Ratio

**5,488**

**726**

**1,614**

**AT A GLANCE**

# LETTER FROM THE CHIEF EXECUTIVE OFFICER

Dear Members,

I am pleased to report that 2018 was Altura Credit Union's eighth consecutive year of economic growth. We ended the year with more than a 40 percent increase in our Net Income. Total Assets grew by 10.67% to \$1.42 billion. Loans and shares were up. In short, in every measurable way, the credit union performed exceptionally well. That's important because our success as an institution facilitates what we can do for Members and how we can make positive impacts on the communities we serve. That's really our bottom line and what distinguishes us from banks. It's why we are here.

One of the things we started in 2018 was a Member Feedback Survey. It helped identify issues and reinvigorated our response to them. Listening closely to Members guides us in determining how we can improve the Membership experience. One decision we made, based on the survey, was to leave the shared branching program. That's resulted in short wait times for Members, at even our busiest branches. In addition to survey generated changes, we made the obvious choices too, such as lowered fees and increased dividend rates.

I take tremendous pride in the fact that the Credit Union Journal ranked us number 1 in California on their annual list of Best Credit Unions to Work For. We were listed 4<sup>th</sup> nationwide among credit unions with assets of more than \$1 billion and 11<sup>th</sup> overall among the more than 6,000 credit unions in the country. We believe in maintaining a diverse, flexible, stimulating corporate culture; we always want to be seen as an employer of choice. I believe that the best talent wants to be here when we are the best place to work for. I know firsthand that when employees value the place they work, they value the people they serve.

Last year was a busy one for the Altura Foundation. Our Board approved additional investments which resulted in more college scholarships being awarded. We are a sponsor of the Civil Rights Institute, Inland Southern California. And we made a generous contribution to the Cheech Marin Center for Chicano Art, Culture & Industry at the Riverside Art Museum. We consider that an acknowledgement of Riverside's Latino past, present and future. We're proud it was our donation that put the project over the top on its fundraising goal. When it opens in 2020, The Cheech will inspire and certainly enrich the lives of those in our local community.

2018 was my first full year as CEO and the first real opportunity I've had to focus the organization into one that shares my vision. We have always been, and always will be a Member-centric institution. I never want to see that change; I want to see it emphasized even more. We have always played a supportive role in the communities we serve and I'd like to see that become more of a leadership role in the future. It's been said that the most important thing a leader can do is to have the desire to help others to succeed. I do.

I want to thank the Board of Directors, the Altura team, and our Membership for a very productive, wonderful year.



Sincerely,  
**Jennifer Binkley**

A handwritten signature in black ink that reads "Jennifer Binkley".

# LETTER FROM THE CHAIRWOMAN

Dear Members,

Altura Credit Union had another fiscally sound, financially superlative year in 2018. The consistent, praiseworthy performance of the credit union is the product of unique individual talents, terrific executives, wonderful employees and a very dedicated Board of Directors. We set goals, face challenges, and act in unison. That's the very essence of teamwork and it is my privilege to be a part of this team.

I believe Altura Credit Union is different than other financial institutions; it has a head for numbers but also a heart for people. In the mid-summer of 2018, Altura participated in a Habitat for Humanity fundraiser for local military veterans and their families. At the tail end of the year, just before the holidays, the federal government shutdown began. Our CEO made helping federal workers an immediate priority by offering zero interest loans to help carry them through some tough times.

Altura also offered an Emergency Loan Product for those impacted by the wildfires that straddled Riverside and Orange Counties. Altura employees delivered care packages to Corona and Lake Elsinore donation centers for Holy Fire evacuees and firefighters.

It makes me proud to see Altura make significant differences in the communities it serves. We embrace the neighborhoods others too often ignore. As a former public school principal, I am quite aware of the impact education can have. We hosted interactive financial education simulations, which teach students how to manage money. We are dedicated to promoting financial literacy. In 2018 Altura awarded more than \$50,000 in college scholarships to students from Riverside County public and private high schools.

Altura Credit Union also paved the way for our Members to succeed and for their dreams to be realized. At the same time, the credit union connected to communities in ways that were enlightening, educational, and uplifting.

Last year marked the beginning of my tenure as Chairwoman. Ofelia Valdez-Yeager was the first woman and first Latina to serve in this position. As the second woman and first African American to have been elected, I want to thank Ofelia for paving the way. I also want to thank our Members, the Board of Directors and everyone who works for Altura. Thank you for the amazing things you do each day, and thank you for the trust you've placed in me.



Sincerely,  
**Jacqueline Hall**

A handwritten signature of Jacqueline Hall in black ink, appearing to read "Jacqueline Hall".

# CHAMPIONING THE CHEECH ALTURA SUPPORTS THE ARTS



In 2018 Altura Credit Union showed appreciation and support for the arts and cultural enrichment by making a \$600,000 donation to the Cheech Marin Center for Chicano Art.

Cheech Marin, one half of the entertainment world's Cheech and Chong duo is a comedian, actor, director, writer, musician and humanitarian. He is also an avid art collector and, over the years, amassed some 700 paintings, photographs and sculptures. It is the most prominent collection of Chicano art in the U.S. and he has gifted it to the Riverside Art Museum.

The donation Altura and others have made will help complete the renovation of the Downtown Riverside Public Library, which will house the Cheech Marin Center for Chicano Art, Culture & Industry.

**This was an easy decision for us because we know The Cheech will be a place important to our local culture and will contribute so much to our community for many years to come.**

"This was an easy decision for us because we know The Cheech will be a place important to our local culture and will contribute so much to our community for many years to come," said Altura's CEO Jennifer Binkley.

The donation was one of many contributions Altura made to local and regional organizations and charities in 2018. Through the Altura Foundation, other sponsorships and events, Altura Credit Union donated more than \$2 million dollars to exceptional causes and individuals last year.



# **AN INVESTMENT IN OUR FUTURE**

# **ALTURA COLLEGE SCHOLARSHIPS**

Altura Credit Union's mission is to enrich lives and empower dreams. The awarding of college scholarships is one of the ways we pursue that purpose. There is no arguing with the fact that enrichment and empowerment are byproducts of higher education.

Unfortunately, higher education has a high price tag.

Since 1993, Altura Credit Union, through its Foundation, has awarded more than \$650,000 in scholarships to nearly 700 students and helped 50 students this past year.

In 2018, with money invested by the Board of Directors, Altura created three new scholarships. Altura's scholarship program is open to students who, upon graduation from a public or private high school in Riverside County, plan to attend an accredited college in the fall. Students are selected on the basis of academic record, financial need, extracurricular activities and an essay about their college goals.

## **— The Dr. Linda Wisher Educational Endowment**

This endowment is in memory of Dr. Linda Wisher, a former member of our Board of Directors. The recipient will be a female student, pursuing a career in education.

## **— The Altura Member Scholarship**

This new scholarship is designed for graduating high school seniors who are Members of Altura or have an immediate family member that belongs to the credit union.

## **— The Altura Member Community College Scholarship**

This new scholarship is designed for an Altura Member who is furthering their education in a local Community College District.

You can find out more about the scholarship program on our website.

## **Altura College Scholarships for 2018**

**30** General Scholarships

**5** For the AVID Program

**10** For Students Attending UCR

**5** Special Scholarships

# **AUTO EXPERT DELIVERS**

## **LET US FIND WHAT YOU'RE LOOKING FOR**

Buying a car doesn't have to be a time consuming, tedious process. It can actually be hassle free. You'll barely have to lift a finger if you let Auto Expert find the car for you, and best of all, you don't even have to walk into a dealership if you don't want to.

Auto Expert is Altura's auto locator service. Tell them the vehicle you want: the year, make, model, color, accessories and so on. Auto Expert will then search their exclusive network of dealerships for the brand new or preowned vehicle you want. They'll negotiate the price, handle DMV paperwork and take care of the loan docs. They can even help you with your trade-

in. They deliver the car to the most convenient Altura branch near you. Auto Expert will save you time and can save you money.

In 2018 Auto Expert sold 2,958 vehicles, 45 more than the year before. They saved credit union Members an average of \$1,681.60. That's up from \$1,536.

Auto Expert has 11 credit union partners, including Altura, serving 657,000 Members. Their 2018 Member Satisfaction rating was 96.51%.

If you would like Auto Expert to assist you when buying your next car, visit [AutoExpertOnline.com](http://AutoExpertOnline.com) or call 800-359-4567.





**657K**  
Members We Serve



Members  
Saved an Average of  
**\$1,681.60**



**96.51%**  
Member  
Satisfaction

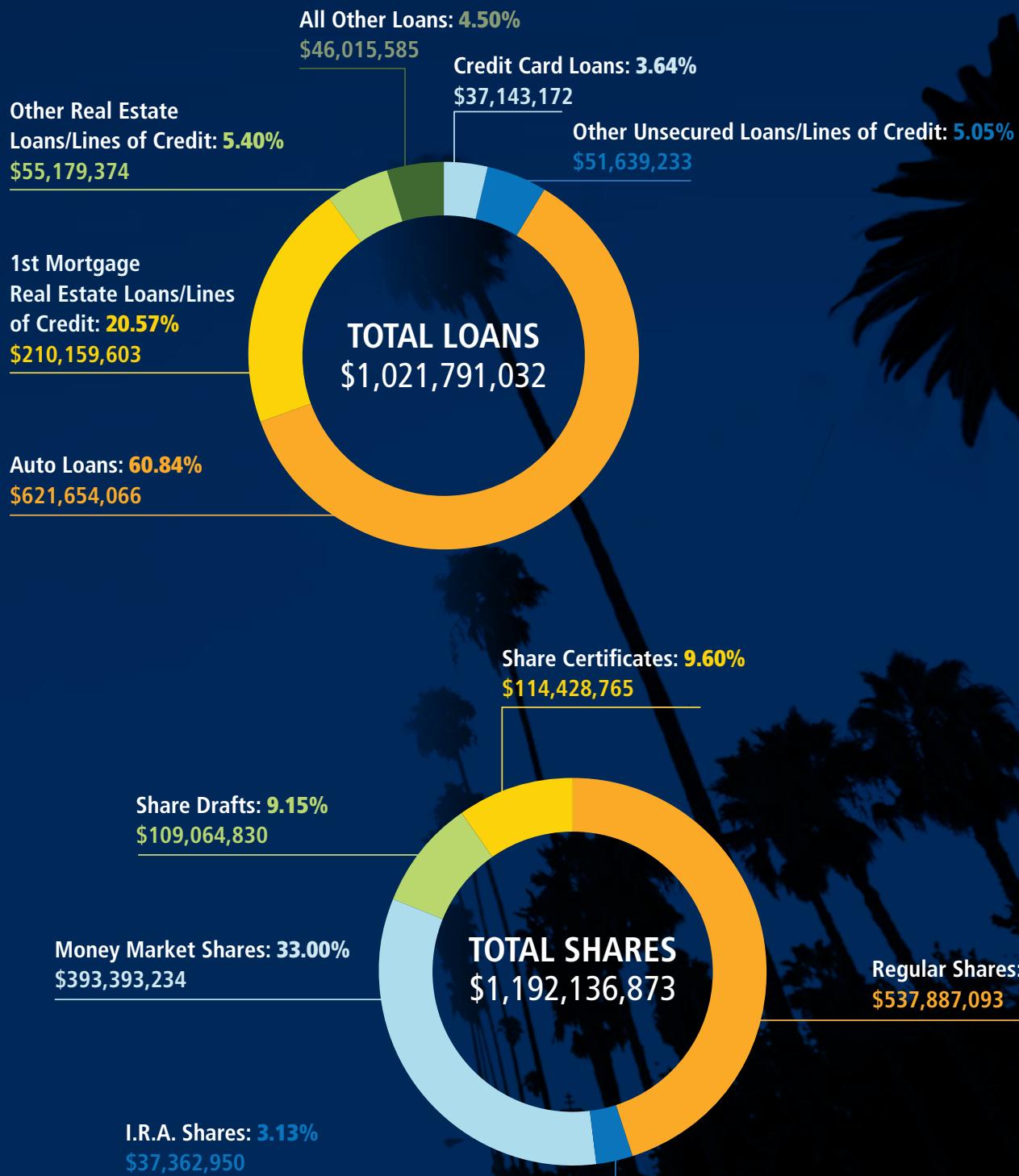


**2,958**  
Vehicles  
Sold



# FINANCIAL STATEMENTS

<i>STATEMENT OF FINANCIAL CONDITION</i>		<i>At December 31</i>		<i>Percent Change</i>
		<i>2018</i>	<i>2017</i>	
Loans to Members		\$1,021,791,032	\$889,124,190	14.92%
Less: Loan Loss Allowance		(11,851,212)	(11,151,764)	6.27%
Cash on Hand and in Banks		95,061,900	104,861,697	-9.35%
Investments		180,446,698	200,127,828	-9.83%
Land & Building, net depr.		35,820,745	29,758,215	20.37%
Other Fixed Assets, net depr.		3,784,629	3,167,104	19.50%
Other Assets		90,096,704	62,848,209	43.36%
<b>Total Assets</b>		<b>\$ 1,415,150,496</b>	<b>\$1,278,735,479</b>	<b>10.67%</b>
Accounts Payable/Other Liabilities		\$ 70,688,298	\$ 20,756,296	240.56%
<b>Total Liabilities</b>		<b>70,688,298</b>	<b>20,756,296</b>	<b>240.56%</b>
Total Members' Shares		1,192,136,873	1,119,646,415	6.47%
Regular Reserve		13,419,033	13,419,033	0.00%
Undivided Earnings		140,969,163	126,506,497	11.43%
Net Unrealized Losses on AFS, Investments		(2,062,870)	(1,592,762)	29.52%
<b>Total Equity</b>		<b>152,325,326</b>	<b>138,332,768</b>	<b>10.12%</b>
<b>Total Liabilities, Shares &amp; Equity</b>		<b>\$ 1,415,150,496</b>	<b>\$1,278,735,479</b>	<b>10.67%</b>
<i>STATEMENT OF INCOME</i>		<i>At December 31</i>		<i>Percent Change</i>
		<i>2018</i>	<i>2017</i>	
Interest on Loans		\$43,394,196	\$37,630,855	15.32%
Investment Income		4,995,085	4,332,255	15.30%
Other Non-Interest Income		34,885,148	31,703,841	10.03%
<b>Total Operating Income</b>		<b>\$83,274,430</b>	<b>\$73,666,951</b>	<b>13.04%</b>
Employee Compensation and Benefits		\$27,940,734	\$24,711,126	13.07%
Office Occupancy		4,470,712	4,292,494	4.15%
Office Operations		7,264,247	6,916,039	5.03%
Educational & Promotional		3,844,123	3,012,847	27.59%
Loan Servicing		8,264,486	6,812,611	21.31%
Professional & Outside		3,505,768	3,964,282	-11.57%
Other Operating Expenses		3,277,914	2,974,591	10.20%
Dividends		3,466,732	3,143,394	10.29%
Provision for Loan Losses		6,777,047	7,604,491	-10.88%
<b>Total Expenses</b>		<b>\$68,811,764</b>	<b>\$63,431,876</b>	<b>8.48%</b>
<b>Net Income</b>		<b>\$14,462,666</b>	<b>\$10,235,075</b>	<b>41.30%</b>



# MEET THE ALTURA TEAM

## BOARD OF DIRECTORS



**JACQUELINE HALL**  
Board Chairwoman



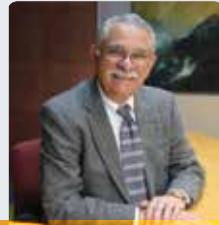
**PERRY REED**  
Vice Chair



**GLORIA PEREZ**  
Secretary



**GEORGE PRICE**  
Treasurer



**MARK BALYS**  
Immediate Past Chair



**JOSEPH CALDERON**  
Director



**NINFA DELGADO**  
Director



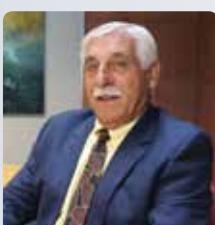
**KEITH DOWNS**  
Director



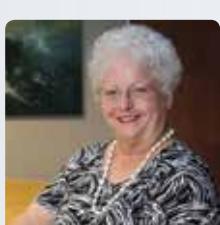
**EUGENE KIM**  
Director



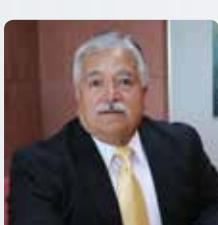
**ALAN STRZEMIECZNY**  
Director



**NORMAN PERRY**  
Director



**BARBARA PURVIS**  
Director



**JERRY RIVERA**  
Director

## AUDIT COMMITTEE



**PERRY REED**  
Chair



**KEN GEORGE**  
Member



**MARCUS RIDLEY**  
Member



**JERRY RIVERA**  
Member



**ALAN STRZEMIECZNY**  
Member

## EXECUTIVE TEAM



**JENNIFER BINKLEY**  
President/Chief Executive Officer



**KEVIN SHERRELL**  
Executive Vice President/Chief  
Administrative and Information Officer



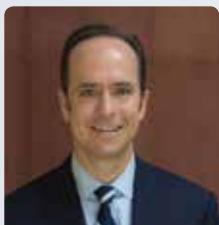
**KATHY THAYER**  
Senior Vice President  
Chief Financial Officer



**ROBERT WHITTON**  
Senior Vice President  
Chief Operating Officer



**DAVID CONSTANTINO**  
Senior Vice President  
Chief Lending Officer



**CHRIS ANDRUS**  
Chief Culture Officer  
President, Auto Expert



**WADE PYUN**  
Senior Vice President/Chief Risk Officer  
General Counsel



Riverside | Moreno Valley | Corona | Hemet  
Indio | Rancho Mirage | Murrieta

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