

Statements of Financial Condition

ASSETS

	December 31,	
	2020	2019
Cash and Cash Equivalents	\$ 29,340,497	20,434,126
Securities – Available-for-Sale	34,760,416	27,831,522
Securities – Held-to-Maturity	2,676,000	2,671,000
Other Investments	142,000	141,000
Loans Held-for-Sale	-	-
Loans, Net	115,284,835	101,014,382
Accrued Interest Receivable	690,276	644,958
Premises and Equipment, Net	642,924	696,525
National Credit Union Share Insurance Fund Deposit	1,536,585	1,382,787
Other Assets	2,808,304	2,328,799
Total Assets	\$ 187,881,837	\$ 157,145,099

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Members' Share and Savings Accounts	\$ 169,977,322	\$ 139,781,888
Accrued Interest Payable	10,779	10,326
Accrued Expenses and Other Liabilities	2,974,309	2,406,713
Total Liabilities	172,962,410	142,198,927

MEMBERS' EQUITY

Regular Reserves	2,011,952	2,011,952
Undivided Earnings	12,360,055	12,827,402
Accumulated Other Comprehensive Loss	547,420	106,818
Total Members' Equity	14,919,427	14,946,172
Total Liabilities and Members' Equity	\$ 187,881,837	\$ 157,145,099

Statements of Income

INTEREST INCOME

	December 31,	
	2020	2019
Loans	\$ 4,797,670	\$ 5,233,730
Securities, Interest Bearing Deposits and Cash Equivalents	743,470	1,001,739
Total Interest Income	5,541,140	6,235,469

INTEREST EXPENSE

Members' Share and Savings Accounts	49,303	52,405
Net Interest Income	5,491,837	6,183,064

PROVISION FOR LOAN LOSSES

Net Interest Income after Provision for Loan Losses	4,645,023	5,506,811
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NON-INTEREST INCOME

Service Charges and Fees	1,118,579	1,498,291
Other Non-Interest Income	641,409	545,877
Total Non-Interest Income	1,759,988	2,044,168

NON-INTEREST EXPENSE

General and Administrative:		
Employee Compensation and Benefits	3,119,142	3,025,204
Operations	2,186,387	2,243,720
Loan Servicing	632,367	604,099
Professional and Outside Services	521,178	518,408
Occupancy	231,256	284,498
Education and Promotion	182,029	210,526
Other Miscellaneous Expense	-	202,894
Total Non-Interest Expense	6,872,359	7,089,349

Gain on Disposal of Assets

Gain on Disposal of Assets	-	2,254,059
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NET INCOME

NET INCOME	\$ (467,348)	\$ 2,715,689
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INSURED BY NCUA

EMORY
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Reacting
Adapting
Supporting

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ANNUAL REPORT 2020

2020 Report of the Chair and President

I would like to thank all of you who, in a time of uncertainty, came together to focus on what we do best at Emory Alliance Credit Union: carry forward our mission to provide high-quality, lower-cost financial services. We deeply appreciate your patience and understanding as we balance being an essential service with the health and safety of our community.

In March, we quickly adapted our policies to continue serving our members and provide uninterrupted ongoing operations in an effective, yet safe, manner. Our interactions shifted to drive-thru transactions, as well as masked and distanced lobby traffic following public health guidelines at our Main Office, and other branch locations. We entered the pandemic on solid footing, which enabled us to roll up our sleeves and help the Emory Alliance Credit Union family with relief and recovery from a particularly trying year.

We processed stimulus payments, PPP and crisis relief loans as quickly as possible to ensure all those eligible had the cash in hand they needed. We deferred a number of loans for members experiencing financial hardship. We created a HERO program to thank healthcare workers and first responders for putting their lives on the line to keep us safe. To ease their financial burden, we are giving back through discounted market rates by offering special pricing and incentives on select loans for our heroes.

You probably noticed we recently redesigned our emoryacu.com website. It offers a faster and more intuitive navigation on a desktop, phone, or tablet. We added sections on the home page to keep you informed on recent alerts, fraud awareness and upcoming events.

We remain steadfast in continuing vital benefits that help our members achieve healthy futures such as our BALANCE program and educating the community on potential coronavirus scams to protect them from fraud. Beyond that, we continue to survey members and use their feedback as a guide to improve their overall experience.

The Credit Union's long-standing partnership with Emory University and Emory Healthcare provides us the resilience, consistency and stability that sets us apart from traditional banks and makes us who we are. We have not let up on our commitment to local charities that need us more than ever such as Friends of Disabled Adults and Children (FODAC), YMCA, CHRIS 180 as well as a few other local charities.

I can confidently say that what we have worked tirelessly to build and maintain over the past 50 years continues to reenergize us even in the face of a global pandemic. As a leading non-profit financial cooperative, we are using this inflection point to reimagine our potential moving through 2021. Our success will forever be defined by the positive impact we can make for our members, staff, and volunteers.

David Thurston, *Chair*

Chris Culberson, *President*

Audit Committee Report

The Audit Committee, appointed each year by the Board of Directors, consists of Emory Alliance Credit Union members. This volunteer committee serves to verify the safety and security of the Credit Union and to help ensure that your Credit Union remains a strong, sound financial institution.

This committee works independently of the Board of Directors and Management to help monitor the credit union's accuracy of records, the security of members' deposits and the soundness of operations.

The Audit Committee ensures that a complete audit of Credit Union affairs is made annually and has contracted with the certified public accounting firm CliftonLarsonAllen to perform internal audits as well as annual financial statement audit for 2020. These audits include operational policies, procedures, and internal controls of the Credit Union. Additionally, examiners from the Georgia Department of Banking and Finance and the National Credit Union Administration (NCUA), a federal regulatory agency, conduct separate annual reviews of the Credit Union to evaluate the financial condition, the safety and soundness of the Credit Union, and compliance with applicable laws and regulations.

After careful review of all audit reports, the Audit Committee concludes that the Credit Union is financially sound and has complied with all Generally Accepted Accounting Principles and applicable Federal and State regulations.

Your Audit Committee is confident that the Credit Union's assets are safeguarded and accounted for properly, and that members are receiving quality, equitable treatment.

Lisa Underwood, *Audit Committee Chair*

Treasurer's Report

2020 brought with it extreme challenges with the pandemic creating hardships for millions of households and businesses. Throughout the year, the Credit Union has been in constant contact with our members and accommodating members' needs when necessary while ensuring the continued health and safety of our employees. In addition, the Credit Union's focus was growing loans with loan promotions to members and purchasing loan participations. As a result, loans grew \$14,747,141 or 14.48% to \$116,577,135. Member Shares increased \$30,195,435 or 21.60% to \$169,977,322. Net Worth ratio, the Credit Union's cushion against hard times, was 7.65% while total assets grew to \$187,881,837 by the end of 2020.

Current period earnings were impacted by the emergency reduction of the federal funds rate by the Federal Open Market Committee last March. The COVID-19 pandemic is expected to keep interest rates at the lowest level and the unemployment rate at the

highest in modern history for the next two years. In response to the factors pressuring earnings, the Credit Union has been focusing on cost control and efficiency.

Financial stability has always been the priority of Emory Alliance Credit Union to accomplish its broader mission of providing convenience, competitive rates, and quality financial products to its members. I am pleased to report that your Credit Union continues to be a safe, strong, and secure financial institution.

The success of Emory Alliance Credit Union is made possible by your continued participation and support, ensuring a strong and secure institution for the benefit of members today and tomorrow. We appreciate the ongoing loyalty of our members and look forward to continuing to provide you with outstanding service and exceptional value for many years to come.

José G. Rodriquez, *Treasurer*

Board of Directors

David Thurston, *Chair*

Principal at NetMOVE Moving and Storage, and Tilden Property and Investments; Associate Vice President for Financial Operations, Emory University (Retired)

Joanna Green, *Vice Chair*

Chief Business Officer, Office of Information Technology, Emory University

Heather Mugg, *Secretary*

Associate Vice Provost for Undergraduate Affairs, Emory University

José G. Rodriguez, *Treasurer*

Director, Budgeting, Planning & Analysis, Emory University Budget Office

Beverly Cormican

Associate Vice Provost for Continuing Education, Emory University (Retired)

Joseph Dee

Executive Administrator for Clinical Affairs and Administration, Vice President of Medicine Services, Emory Healthcare

Audrey Phillips Turner

Business Manager, Emory University Budget Office

Deepa Pawate

Associate Chief Audit Officer, Emory University

Lisa Underwood

Associate Vice President, Chief Business Officer, Campus Services Finance & Business Operations, Emory University

Roland Witter

Senior Financial Analyst, Division of Campus Life, Emory University

Jon Wollenzein, Jr.

Chief Executive Officer, Palmetto Health Council, Inc.

Audit Committee

Lisa Underwood, *Chair*

Katharine Foster

Stephen Frangis

Deepa Pawate

Audrey Phillips Turner

Executive Management

Chris Culberson, *President*

Donna Porchik, *Vice President, IT and Operations*

Tammie Zeigler, *Vice President, Marketing and Retail*

Michelle Zhang, *Chief Financial Officer*