



INTOUCH CREDIT UNION  
**2022**  
ANNUAL REPORT

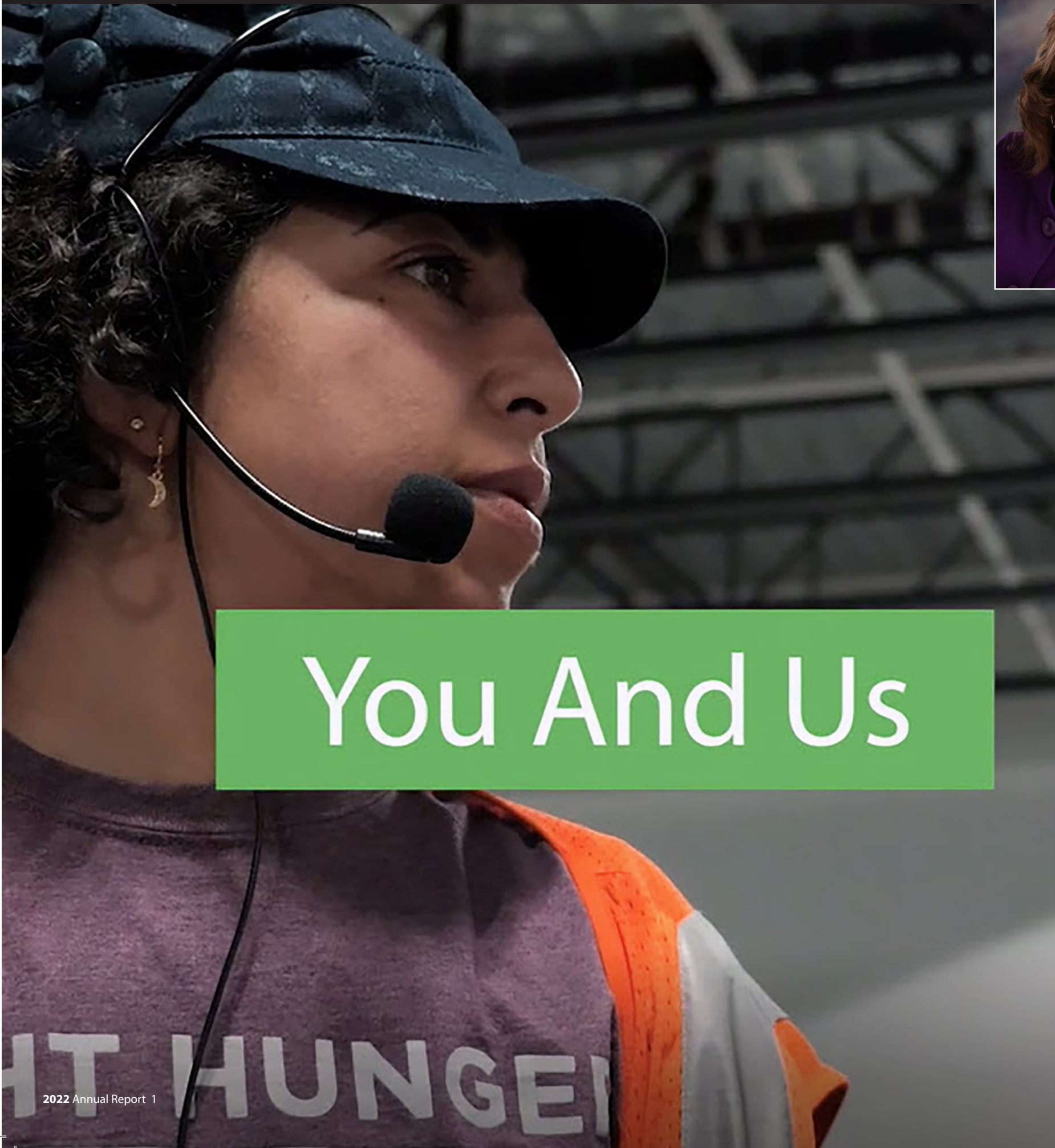
YOUR COMMUNITY PARTNER



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# You And Us

## REPORT OF THE CHAIRMAN



In 2022, InTouch Credit Union (ITCU) continued to focus on key strategic initiatives including technology innovations to provide competitive products and services for members. We also expanded branch locations in Texas, Nevada and Michigan.

In addition, ITCU launched a multi-year mission to fight food insecurity in the communities where our members and employees live. The goal of the “You and Us, Fighting Hunger Together” initiative is to contribute \$1 million to local food banks in our communities. Every day in our communities, hunger is a problem that affects moms, dads, seniors and children.

The first year of the initiative was successful thanks to the loyalty and support of our members. For each loan members opened, or each time members used their ITCU debit or credit card to make a purchase, including through Apple Pay®, Google Pay™ or eventually Samsung Pay™, ITCU contributed a portion of revenue to our shared mission of combating hunger. As 2022 ended, your support enabled ITCU to donate more than \$150,000 to food banks in our communities.

In turn, our communities acknowledged ITCU’s dedication to serving members by again selecting ITCU as one of the recipients named in “Best Credit Union” polls in Las Vegas and several North Texas cities. ITCU is honored by the recognition from our members and communities. We will continue our unwavering commitment to supporting your financial needs and providing secure, efficient and convenient products and service channels.

We thank our members for choosing ITCU and giving us the privilege to serve you. The Board of Directors, leadership team, and staff thank you for your support. We will continue to strive to meet and exceed the service experience we provide as we remain dedicated to your financial needs.

Sincerely,

Nancy Pressel  
Chairman, Board of Directors





## REPORT OF THE **AUDIT COMMITTEE**

In 2022, the Audit Committee continued its focus on ensuring the Credit Union met regulatory requirements and industry standards while maintaining operational safety and soundness. The Audit Committee utilizes internal and external sources to validate compliance with these requirements.

Internal auditors, including Cornerstone Resources and TraceSecurity, completed several audits and tests on critical operational areas and functions. The Risk Management department performed internal controls reviews and risk assessments as additional measures to assess operational safety, soundness and regulatory compliance.

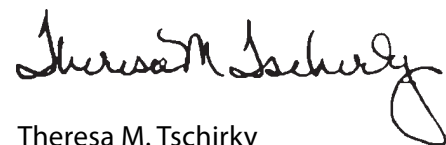
Additionally, the Credit Union adheres to stringent industry cybersecurity guidelines as part of its commitment to provide members with a safe and secure digital service experience. The Credit Union conducted frequent and ongoing cybersecurity training and testing throughout 2022 to ensure employees adhered to cybersecurity and information security procedures and policies. As another measure of the Credit Union's cybersecurity protocols, TraceSecurity conducted social engineering, penetration testing, and technology protocol audits. The testing and audits validated the Credit Union adheres to appropriate technology standards designed to protect member data.

Nearman, Maynard & Vallez, a certified public accounting firm, conducted the required comprehensive annual audit and discussed the results with the Audit Committee and senior staff. After the discussion, the Audit Committee noted no material internal control weaknesses related to the financial reporting process. In addition, the Audit Committee believes the Credit Union's financial statements are reported accurately and fairly.

A complimentary copy of the audited financial statements may be obtained at any branch, by contacting the Credit Union's Contact Center at (800) 337-3328, or by submitting an email request to [reports@itcu.org](mailto:reports@itcu.org).

The internal audits, internal controls reviews and risk assessments conducted in 2022 confirmed the Credit Union functions in an operationally secure manner.

Respectfully,



Theresa M. Tschirky  
Chairman, Audit Committee







When looking back on this past year, the words of Charles Dickens come to mind — “It was the best of times, it was the worst of times.” The year began with great promise from record job growth, a positive economic outlook, the end of pandemic protocols, and what appeared to be transitory inflation. The year ended with seven straight interest rate increases from the Federal Reserve with more in sight, stubbornly high inflation, a raging war on the other side of the world affecting global food and oil supplies, and U.S. employees walking away from jobs at a historic rate. Despite those challenges, InTouch Credit Union (ITCU) found a way to experience record loan growth, open new branches in each ITCU regional market, and made the first of many future investments in frictionless digital delivery, face-to-face branch servicing, and enhanced cybersecurity.

I am also pleased to report that ITCU remains financially strong and is well-positioned to continue to enhance our in-person and digital services.

In 2022, with a focus on service, ITCU eliminated most of the Shared Branch services offered to members of other credit unions. This resulted in shorter lines and the delivery of faster service in ITCU branches and contact centers. We also updated and expanded our text and chat capabilities to provide more options to contact ITCU how and when you want to connect.

In 2022, with a focus on value, ITCU converted its debit and credit card platforms to a new vendor with advanced security, more member-initiated controls, alerts, and warnings, and the ability to participate in the uChoose Rewards® program. This single platform, available only to members enrolled in the uChoose Rewards® program, earns reward points for conducting in-store and online transactions for spending, like buying groceries and paying for memberships, subscriptions, and everyday bills. Accessible through both ITCU online and mobile banking systems, points earned from both card types (including Apple Pay®, Google Pay™ and Samsung Pay™ digital wallet transactions) can be combined and redeemed for cash back, gift cards, and so much more!

On behalf of all ITCU employees, thank you for your loyalty, trust and membership. I am honored to serve as your president and CEO, and look forward to implementing the next round of enhancements in 2023 and 2024, designed to exceed your expectations by delivering outstanding service and value.

Sincerely,

Kent L. Lugrand  
President & Chief Executive Officer







## STATEMENT OF INCOME

### INTEREST INCOME

January through December	2022	2021
Interest on Loans to Members	\$36,661,138	\$31,459,327
Interest on Investments	<u>\$3,215,564</u>	<u>\$1,779,991</u>
<b>Total Interest Income</b>	<b>\$39,876,702</b>	<b>\$33,239,318</b>

### INTEREST EXPENSE

Dividends on Members' Shares	\$2,870,211	\$2,006,659
Interest on Borrowed Funds	<u>\$3,188,156</u>	<u>\$706,228</u>
<b>Total Interest Expense</b>	<b>\$6,058,367</b>	<b>\$2,712,887</b>
<b>Net Interest Income</b>	<b>\$33,818,335</b>	<b>\$30,526,431</b>
<b>Provision for Loan Loss</b>	<b>\$1,996,289</b>	<b>\$1,703,093</b>
<b>Net Interest Income After Provision for Loan Loss</b>	<b>\$31,822,046</b>	<b>\$28,823,338</b>

### NON-INTEREST INCOME

Service Charges, Fees, and Other Operating Income	\$7,834,248	\$6,634,143
Unrealized Gains (Losses) from Asset Market Value Changes	<u>\$(8,699,302)</u>	<u>\$5,742,558</u>
Realized Gains (Losses) from Sales/Disposals of Assets	<u>\$119,596</u>	<u>\$424,461</u>
<b>Total Non-Interest Income</b>	<b>\$984,650</b>	<b>\$12,801,162</b>

### NON-INTEREST EXPENSE

Compensation and Benefits Operations	\$17,386,333	\$15,998,819
	<u>\$19,575,317</u>	<u>\$16,265,283</u>
<b>Total Non-Interest Expense</b>	<b>\$36,961,650</b>	<b>\$32,264,102</b>
<b>Net Income</b>	<b>\$(6,124,254)</b>	<b>\$9,360,398</b>



## STATEMENT OF FINANCIAL CONDITION

### ASSETS

January through December	2022	2021
Cash and Cash Equivalents	\$24,790,106	\$92,408,380
Investments	\$106,747,190	\$91,503,825
Loans to Members, Net	\$852,638,716	\$779,875,145
Accrued Interest Receivable	\$2,869,825	\$2,213,237
Property and Equipment	\$30,837,305	\$23,371,394
National Credit Union Share Insurance Fund Deposit	\$7,791,627	\$7,486,610
Other Assets	<u>\$21,309,177</u>	<u>\$11,545,469</u>
<b>Total Assets</b>	<b>\$1,046,983,946</b>	<b>\$1,008,404,060</b>

### LIABILITY AND MEMBERS' EQUITY

Liabilities		
Member Shares	\$823,113,391	\$846,727,185
Accrued Expenses and Other Liabilities	<u>\$142,624,692</u>	<u>\$71,094,895</u>
<b>Total Liabilities</b>	<b>\$965,738,083</b>	<b>\$917,822,080</b>

### MEMBERS' EQUITY

Liabilities		
Unrealized Gain (Loss) on Investments	\$(3,402,392)	\$(190,518)
Reserves	<u>\$84,648,255</u>	<u>\$90,772,498</u>
<b>Total Liability and Members' Equity</b>	<b>\$1,046,983,946</b>	<b>\$1,008,404,060</b>





# PRODUCTS AND SERVICES

InTouch Credit Union is proud to work for the financial well-being of our members, and we do so through an encompassing range of products and services.

Products include:

- ✱ Auto Loans (new and used)
- ✱ Motorcycle, Boat and RV Loans (new and used)
- ✱ Checking and Savings Accounts
  - Personal
    - Momentum One Checking
    - Momentum Plus Checking
    - Prime Checking
    - High-Yield Checking
    - Fresh Start Checking
    - Regular Savings
    - Save to Win® Savings Accounts (Not Available in All States)
    - Money Fund Accounts
    - Health Savings
    - IRAs
    - Holiday Club Savings
  - Business
    - Regular Checking
    - Plus Checking
    - Premium Checking
    - Nonprofit Checking
    - Regular Business Savings
    - Business Money Fund Savings
    - Nonprofit Savings
- ✱ Youth & Young Adult Checking and Savings Accounts
  - Chip's Kids Club (Ages 0-12)
  - Geared Up! (Ages 13-17)
  - On My Own (Ages 18-24)
- ✱ Share Certificates of Deposit (CDs)
  - 3-60 Month Terms
  - Business CDs
  - IRA CDs
  - High-Yield Checking CDs
  - Limited Time CD Specials ("Bump" Rate CD)
  - Youth & Young Adult CDs
- ✱ ITCU achieve!, celebrate!, connect!, elevate! Credit Card Mastercard®
- ✱ Mortgages and Real Estate Services
- ✱ Home Equity Loans and Home Equity Lines of Credit (HELOCs)
- ✱ Home Improvement Loans (Texas-only)
- ✱ Personal Loans
- ✱ Seasonal Loan Specials
  - Holiday Loan (Available October – December)
  - Skip-A-Pay (Available Twice Yearly to Eligible Members via Mail)
- ✱ Business Loans
- ✱ Business Mastercard® Credit Cards



Services include:

- ✱ InTouch Teller® Interactive Teller Machine
- ✱ Payment Protection Advantage®/Debt Protection
- ✱ Guaranteed Asset Protection, Mechanical Breakdown Protection and Depreciation Protection
- ✱ ACH and Wire Transfers
- ✱ Apple Pay®, Google Pay™ and Samsung Pay™ Digital Support
- ✱ My Cards debit/credit card management platform
- ✱ uChoose Rewards® platform for redeeming points earned on debit cards and rewards credit cards
- ✱ Electronic (Paperless) Services
  - eReceipts, eStatements, eNewsletters
- ✱ Online chat and SMS assistance (provided by Eltropy)
- ✱ Online and Mobile Banking
  - Zelle®
  - Bill Pay
  - Trends Personal Financial Management Tool
  - Popmoney® P2P Payment System
  - Credit Sense™ Credit Score Provider
  - Instant Balance (Mobile-Only)
  - Touch ID® (Mobile-Only)
  - Mobile Deposit Capture (Mobile-Only)
  - Text Message (SMS) Banking (Mobile-Only)
- ✱ HomeAdvantage® selling/buying service
- ✱ Business Merchant Services
- ✱ Business Credit Card Processing
- ✱ Investment Services
- ✱ Safe Deposit Boxes (Where Available)
- ✱ Shared Branch Network Services
  - Access to 5,000+ Branch Locations
  - Access to 30,000+ Surcharge-Free ATMs
- ✱ Other Products and Services Partnerships for Discounts to Members
  - Accidental Death & Dismemberment Coverage
  - Travelers® Auto/Home/Renters Insurance Program
  - TruStage® Auto/Home/Life Insurance Program
  - CU Solutions Member Discounts
  - IHC Specialty Benefits-Health & Pet Insurance
  - Silver Retirement Simplified
  - Trust & Will

(Visit [ITCU.org](https://www.itcu.org) for complete registration requirements, any applicable message and data rates, applicable fees and relevant disclosures.)







We're On a Mission To Fight Food Insecurity



Giving 1 Million Dollars  
To Local Food Banks

BOARD OF DIRECTORS

- Nancy Pressel**  
**John Roberts**  
**Jodie Robinson**  
**Dan Crouse**  
**Theresa Tschirky**  
**Lisa Papageorge**  
**Terri Bryant-Harrell**  
**John Shinneman**  
**Jon Hardesty**
- Chairman, term ends in 2025  
Vice-Chairman, term ends in 2024  
Secretary, term ends in 2023  
Treasurer, term ends in 2024  
Director, term ends in 2023  
Deputy Treasurer, term ends in 2023  
Director, term ends in 2025  
Deputy Secretary, term ends in 2025  
Director, term ends in 2024

ADVISORY DIRECTORS

- Charleen Barnwell**  
**Ryan Bowen**  
**Leanne Ferdig**  
**Michael Gallo**  
**Michelle Mills**  
**Donnie Shepherd**

SENIOR MANAGEMENT DEPARTURES

- Jon Ganow**      Region Vice President  
Chief Retail Executive TX

SENIOR MANAGEMENT

- Kent Lugrand**  
**Sammie Cantrell**  
**Tom Condos**  
**Tim McCoy**  
**Robert McDonald**  
**Bridger Robinson**  
**Kristen Schmieg**  
**Gloria Smith**  
**Chris Oglesbee**  
**Matt Santee**  
**Walter Stanley**  
**Justin Trosclair**  
**Dan Maldonado**  
**Karessa Pewtress**  
**Valerie Williams**
- President/Chief Executive Officer  
Sr. Vice President/Chief Risk Officer  
Sr. Vice President/Chief Information Officer  
Sr. Vice President/Chief Marketing Officer  
Sr. Vice President/Chief Financial Officer  
Sr. Vice President/Chief Lending Officer  
Sr. Vice President/Delivery Channel Operations  
Sr. Vice President/Retail Branch Operations (effective 5/31/22)  
Vice President of Retail Operations (effective 2/7/22)  
Vice President of I/T (effective 2/7/22)  
Vice President of Business Lending & Payment Services  
Vice President Contact Center (effective 10/3/22)  
Region Vice President/Chief Retail Executive MI (effective 2/7/22)  
Region Vice President/Chief Retail Executive NV (effective 2/7/22)  
Region Vice President/Chief Retail Exectuve TX (effective 10/4/22)

BYLAW CHANGES

None





## We're on a Mission... and You have Helped!

In January 2022, ITCU announced our long-term hunger relief initiative with the goal of addressing the food insecurity struggles affecting countless families in our communities. "You and Us, Fighting Hunger Together." is a commitment by the Credit Union to do our part in providing relief through our efforts, as well as those of our members.

Because we are all in this together, members can do their part to assist the food banks ITCU has partnered with simply by doing what they already do. For each loan opened with ITCU, and for every transaction completed on an ITCU debit or credit card, the Credit Union will make a monetary donation to our local food banks in each of our three regions.

In one year alone, the support of our members, staff, volunteers and community leaders, allowed more than \$150,000.00 to be raised! Across this page you will see photos of our results but there is still work to be done! ITCU has committed to raising \$1 million and will continue to offer support through the years to come.

## You and Us. Fighting Hunger Together.



For the latest news and updates about our hunger relief initiative, click here!

