During 2013, our 77th year, New Mexico Educators Federal Credit Union performed well despite the challenging economy. Your Credit Union continues to be financially strong and committed to improving our member-owners’ financial well-being.

We show our commitment to member-owners with exemplary service and by providing convenient new ways to manage your finances. In the 2013 Member Survey, 94.1% of our members rated the quality of our service as “Satisfactory” or “Very Satisfactory.”

That loyalty was demonstrated in increasing participation; your Credit Union’s total assets grew from more than $1.2 billion in 2012 to more than $1.4 billion in 2013. Membership includes over 140,000 member-owners – by far the most of any locally owned credit union in New Mexico. Also during 2013, your deposits grew by more than $115 million – a 9% increase over 2012. These valuable deposits enabled us to increase the amount of loans made to member-owners.

Total loans increased by more than $178 million, growing from $739 million in 2012 to $919 million by December 2013. We saw significant gains in credit cards, auto loans, mortgages, and business lending as you used your Credit Union for these crucial loan products.

Your Credit Union processed more than 6.1 million member transactions in branches and through the call center. More than 20,000 members registered for Internet Banking during 2013, and over 9,700 of them registered for Bill Payer service. And visitors made almost 1 million website page views per month by the end of the year.

Because we are a not-for-profit cooperative, your Board of Directors approved Earn Your Return for all members in good standing. In 2013, between Community Rewards and Earn Your Return, your Credit Union distributed more than $5 million to you, your fellow member-owners, and the communities we serve.

Students in more than 50 NM schools, colleges, and community organizations are benefiting from your Credit Union’s mission to help them succeed. We conducted 250 money management workshops with more than 7,500 participants, and conducted 12 university student orientations, reaching 8,000 students. We presented financial capability curriculum concepts to 20,000 potential members among 500 Select Employer Groups.

Your participation in New Mexico Educators Federal Credit Union, by using even more products and services, makes your Credit Union one of the soundest and safest financial institutions in the state. We look forward to serving you, your family, and your communities throughout 2014.

Respectfully Submitted,

Martin Semo
Chairman of the Board
New Mexico Educators Federal Credit Union, your member-owned, not-for-profit cooperative, is stronger than ever. With more than 140,000 member-owners and 16 branch offices, we are the largest locally owned credit union in the state. With so many members participating, it’s easier for us to provide the financial products and services you need to achieve your dreams.

New Mexico Educators FCU’s solid business practices have enabled us to assist members with their financial needs throughout the recovering economic environment of 2013.

We are operating in a “business as usual” manner, prudently managing your Credit Union to assure that your savings remain safe and secure. Evidence of that accomplishment: We received a Superior Rating from BauerFinancial Inc., the nation’s most well-known independent rating service for banks and credit unions. As of December 31, 2013, BauerFinancial ranked New Mexico Educators Federal Credit Union with five stars for financial strength and security for 53 consecutive quarters.

That strength and prudent financial management allowed your Credit Union to return more than $5 million to member-owners for their financial participation in 2013. Members earn returns for consolidating financial relationships with their Credit Union through Earn Your Return. In addition, through the Community Rewards Program, members like you continued to earn cash rewards for themselves and their community, just by signing their Visa Debit Card transactions.

In 2013, New Mexico Energy Federal Credit Union merged with New Mexico Educators Federal Credit Union. NM Energy FCU chose to merge with your Credit Union because we offered their member-owners more financial products, services, and locations. Your Credit Union was selected also because of our continued sound financial performance.

Also in 2013, your Credit Union offered assistance to member-owners affected by the federal sequestration with a Member Assistance loan. The loan was designed to provide extra funds to help offset government employees’ loss of income during a furlough or unpaid leave.

More highlights of 2013: We created a standards-aligned financial capability curriculum. Unlike many other financial curricula, this goes beyond basic financial literacy by providing participants with tools to make educated financial choices and positively influence financial behavior. It is aligned with Common Core State Standards Initiative, a national K-12 curriculum. This enables teachers to incorporate our curriculum without requiring them to pursue materials to support it in the classroom.

We became a founding partner of Innovate ABQ, an initiative to improve education and economic opportunities for New Mexico. We know that a stronger, more viable community will benefit our member-owners for years to come. This partnership is just a part of our Credit Union’s longstanding commitment to community support and our seven guiding cooperative principles.

Your Credit Union’s continued healthy growth is made possible by our members’ increasing use of financial products and services. When more members actively participate in the cooperative, you enjoy these benefits with fewer fees. Great things happen when people join together for common financial goals. It’s what we call “The Power of WE.”

Terry Laudick
President/CEO
STATEMENT OF FINANCIAL CONDITION AS OF:

**ASSETS**
- Total Loans
- Less: Allowance For Loan Losses
- Cash And Cash Equivalents
- Total Investments
- Land & Building
- Other Fixed Assets
- Other Real Estate Owned
- Other Assets
- Total Assets

**LIABILITIES**
- Total Borrowings
- Total Shares And Deposits
- Accounts Payable And Other Liabilities

**EQUITY**
- Regular Reserves & Undivided Earnings
- Total Liabilities And Equity

**INCOME AND EXPENSE SUMMARY**

**INCOME (OPERATING):**
- Interest On Loans (Gross - Before Interest Refunds)
- Income From Investments
- Fee Income
- Other Operating Income
- Total Gross Income

**EXPENSES (OPERATING):**
- Employee Compensation And Benefits
- Travel And Conference Expense
- Office Occupancy Expenses
- Office Operations Expenses
- Educational And Promotional Expenses
- Loan Servicing Expense
- Professional And Outside Services
- Provision For Loan Loss
- Operating Fees (Examination And/Or Supervision Fees)
- Miscellaneous Operating Expenses
- Total Operating Expenses

**Income (Loss) From Operations**

**NON-OPERATING GAINS OR LOSSES**
- Net Non-operating Gain/(Loss)
- Income (Loss) Before Cost Of Funds

**COST OF FUNDS:**
- Interest On Borrowed Money
- Dividends On Shares
- Net Income Before Earn Your Return

Less:
- NCUSIF/TCCUSF Stabilization Expense
- Earn Your Return

Net Income (Loss)
Your Credit Union experienced a good year in 2013. High-quality service, efficient operations, and competitive products continue to sustain the Credit Union’s financial position.

The Supervisory Committee of the Credit Union is appointed by the Board of Directors and oversees the audit function of the Credit Union. The internal and external audits performed at the Credit Union are 100% outsourced for efficiency and to ensure expertise. This arrangement has proven to be beneficial to the Credit Union. The internal audits are performed by Moss Adams, LLP and the opinion-audit of the financial statement is conducted by OCM & Company, CPAs. These audits verify the continuing efficiency of the operation and adherence to applicable regulations in order to safeguard the Credit Union’s assets.

In addition to these audits, the National Credit Union Administration (NCUA), our federal regulatory agency, performed its annual examination of the Credit Union. The NCUA exam further ensures our continuing compliance with ever-changing regulatory requirements.

The Supervisory Committee continues to strive to assure members that the Credit Union’s management practices are protecting members’ assets as well as complying with laws, regulations, and Board policies and procedures. We welcome your questions or suggestions in order to better serve your interests. Please address these in writing to New Mexico Educators Federal Credit Union, c/o Supervisory Committee, P.O. Box 8530, Albuquerque, NM 87198.

Respectfully,

John Landis, Chair
Craig Kalsen, Vice Chair
Javier Machuca, Secretary
Ann Brooks, Member
Ed Maestas, Member

2013 BOARD OF DIRECTORS

Martin Serna
Chairman of the Board

Judy Cartmell
Vice Chairman

Leigh Anne Chavez
Secretary

Ann Brooks
Treasurer

Dick Brown
Director

Denise Irion
Director

Catherine Dal Santo
Director

Ray Renteria
Director

Ralph Wallace
Director

In Memorium
Jack Bobroff
Director, 1986-2014
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