



nUSENDA[®]
CREDIT UNION

— The Power of WE[®] —

2019 ANNUAL REPORT



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2019 Volunteer Board Members



Our Vision

To be our Members' trusted resource.

Our Mission

We are the trusted financial resource for our members, providing them personalized solutions; and the convenience, technology, and accessibility of today and tomorrow.



Ann Brooks

Chair of the Board

It has been my honor to serve and represent you, the credit union membership, during my second year as Chair of the Nusenda Credit Union Board of Directors.

2019 was an exciting year of evolution and progress for your credit union. We've continued to see a pattern of strong growth in membership, employees, locations, and products and services; while achieving a 96% "satisfied" or "very satisfied" quality of service reported by your fellow members.

We saw substantial gains in mortgages and home equity loans, auto loans, and business and merchant lending. This increase in member participation has lifted Nusenda's total assets by 8.14% from almost \$2.3 billion in 2018 to almost \$2.5 billion in 2019.

To continue to provide excellent service to our rapidly growing membership, the credit union hired 215 employees, 46 of those being newly created positions. The employee retention rate was 78%, saving members money in onboarding and training expenses.

Your credit union's growth has been exceptional over the last five years. During that time, membership has increased by more than 34%. In order to support that continuing growth and increasing statewide footprint, we have expanded our administrative campus in the heart of Albuquerque, which also includes a new branch. Members can now find our mortgage, investments, and business services teams all under one roof in a convenient, central location.

We also support our community partners and Select Employer Groups at the administrative campus – in 2019, almost 400 meetings were held at our training center, all at no cost to our partners.

More than ever, members have been digitally connecting with the credit union. At the end of 2019, two-thirds of Nusenda members were active Mobile and Internet Banking users; those members logged in more than 28.7 million times and made 317,000 mobile and remote deposits, and more than \$3.1 million in transfers. On social media, more than 7,600 members engaged with Nusenda on Facebook.

However, there are many members who still want a traditional branch experience. More than 3.3 million transactions were processed in our 21 locations from Socorro to Taos in 2019.

Since we are a not-for-profit cooperative, your Board of Directors approved Earn Your Return bonus member dividends to those in good standing. In 2019, between Community Rewards® and Earn Your Return, your credit union distributed more than \$11 million to you, your fellow member-owners, and the communities we serve in both financial and in-kind support. We also provided almost \$40.2 million in direct benefits to members in the form of better rates and lower fees in 2019, for a total of more than \$172 million in member benefits and returns in the last decade.

Lastly, I'd like to thank our credit union team for their hands-on support of our communities statewide, and for creating innovative new products and services that align with Nusenda's mission and values. During our third annual Community Day of Service in October 2019, 242 employees devoted a day to serve at seven organizations statewide. Your credit union's staff also actively participated in our Adopt-A-Cause year-round community support program. Last year, 26 employee teams adopted 37 organizations statewide, providing volunteer service time, financial assistance, and more. Forty-nine Nusenda employees became certified as Financial Capability Ambassadors, providing financial capability curriculum to more than 110 community organizations statewide.

Recognizing that New Mexicans are passionate about reducing environmental impact and protecting our state's unique beauty, the credit union partnered with Renewable Taos to launch a loan rate discount on hybrid, electric, alternative fuel, or high-fuel economy rated vehicles. The credit union is also the sponsor of three new, permanent electric-vehicle charging stations at the Taos Center for the Arts that are available at no cost to those needing to recharge their vehicles.

This dedication to community is an embodiment of *The Power of WE*! It is the people of Nusenda – their experience, their talent, and their care for community – that make it an exceptional organization. We look forward to sharing our stories of commitment and success in 2020 and beyond.

Respectfully Submitted,



Membership grew to 211,135



Loan growth increased 5.84% over 2018



Members logged into Mobile and Internet Banking more than 28.7 million times and made 317,000 mobile and remote deposits, and more than \$3.1 million in transfers



Provided in-kind support to more than 175,000 New Mexicans



Joe Christian
President/CEO

As we reflect upon the last year, I want to thank you for your continued support of your locally owned and operated financial cooperative. Because of your choice to participate with Nusenda Credit Union, we are able to provide you with top-quality, first-in-the-market products, with exceptional service.

As a Nusenda member, you have access to 500-plus employees with hundreds of years of combined experience advocating for your financial and personal well-being, so you can focus on the things that matter most.

It's with enthusiasm that I can report Nusenda Credit Union is prepared to be your partner in financial success in 2020 and beyond.

Some of our success stories in 2019:

- Nusenda Credit Union's membership grew to 211,135 members. This represents a 6.3% increase over 2018. The loan growth in 2019 increased 5.84% over 2018.
- As part of our mission to provide the convenience, technology, and accessibility of today and tomorrow, we reopened newly modernized locations, and renovated existing branches to better serve you. In Socorro, members now have access to updated technology, more one-on-one meeting spaces, easy-access parking, and a drive-up ATM. We also expanded the number of drive-up lanes at our Taos branch. And we opened a new branch at your credit union's Administrative Campus in the heart of Albuquerque.
- We're the first credit union in New Mexico to launch state-of-the-art, interactive video-teller technology for our members. Video tellers can perform more personalized, complex banking transactions in drive-up lanes. Video tellers are also available at our satellite branches on Kirtland Air Force Base and at Downtown Albuquerque's Lobo Rainforest campus.
- Nusenda is the first locally owned credit union to bring contactless payment technology to its member-owners. By using your Nusenda Visa® credit cards, you enjoy a fast, simple, and secure way to make your purchases at millions of merchants worldwide – with just a tap or wave of your card. Additional changes let you place your own travel alerts, complete balance transfers, and immediately lock or unlock your cards if lost or stolen.
- Nusenda members were introduced to a new, innovative financial technology tool called *The Power of Change*™. Created entirely in-house by our software development team, you can round up transactions made with your Nusenda Visa debit card to the nearest dollar; then choose to allocate those funds in three ways – depositing into a savings account, paying down the principal of a qualifying Nusenda loan, or contributing to local community organizations through the Nusenda Foundation, the credit union's philanthropic arm.
- In 2019, during the longest U.S. government shutdown in history, New Mexico was only behind the District of Columbia when it came to the number of impacted residents. During this trying time, when many New Mexicans experienced reduced paychecks – or no paychecks at all – Nusenda came to the aid of members and their families by having multiple financial options immediately available.

It is our extraordinary employees, leadership team, and volunteers that leverage *The Power of WE*® into a positive force for your financial well-being and the overall success of New Mexicans.



Achieved a 96% “satisfied” or
“very satisfied” quality of service



Increased total assets by 8.14% over 2018



Almost 400 community partner/select employer group
meetings were held at our Training Center at no cost



Hired 215 employees

Statement Of Financial Condition** as of:

ASSETS

TOTAL LOANS	1,835,427,985	1,942,560,076
LESS: ALLOWANCE FOR LOAN LOSSES	(13,211,966)	(13,407,714)
CASH AND CASH EQUIVALENTS	69,097,773	72,573,232
TOTAL INVESTMENTS	277,594,757	325,665,201
LAND & BUILDING	38,394,014	57,823,227
OTHER FIXED ASSETS	7,512,383	7,422,423
OTHER REAL ESTATE OWNED	0	0
OTHER ASSETS	59,866,162	67,146,754
TOTAL ASSETS	2,274,681,108	2,459,783,199

LIABILITIES

TOTAL BORROWINGS	500,000	471,429
TOTAL SHARES AND DEPOSITS	2,004,863,466	2,154,361,428
ACCOUNTS PAYABLE AND OTHER LIABILITIES	37,111,545	37,040,940

EQUITY

REGULAR RESERVES & UNDIVIDED EARNINGS	232,206,097	267,909,402
UNREALIZED GAIN/LOSS INVESTMENTS	0	0

TOTAL LIABILITIES AND EQUITY

2,274,681,108	2,459,783,199
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INCOME AND EXPENSE SUMMARY

INCOME (OPERATING):

INTEREST ON LOANS (GROSS-BEFORE INTEREST REFUNDS)	78,092,985	88,693,036
INCOME FROM INVESTMENTS	5,486,111	9,548,803
FEE INCOME	18,828,715	22,127,142
OTHER OPERATING INCOME	20,636,368	22,286,620
TOTAL GROSS INCOME	123,044,179	142,655,601

EXPENSES (OPERATING):

EMPLOYEE COMPENSATION AND BENEFITS	36,122,573	40,514,225
TRAVEL AND CONFERENCE EXPENSE	238,753	206,716
OFFICE OCCUPANCY EXPENSE	3,176,345	3,447,685
OFFICE OPERATIONS EXPENSE	17,383,653	21,187,451
EDUCATIONAL AND PROMOTIONAL EXPENSES	4,983,295	5,355,216
LOAN SERVICING EXPENSE	4,571,635	5,458,686
PROFESSIONAL AND OUTSIDE SERVICES	4,322,370	5,184,616
PROVISION FOR LOAN LOSS	11,301,000	10,242,000
OPERATING FEES (EXAMINATION AND/OR SUPERVISION FEES)	424,918	467,187
MISCELLANEOUS OPERATING EXPENSES	1,210,841	1,432,450
TOTAL OPERATING EXPENSES	83,735,383	93,496,231

INCOME (LOSS) FROM OPERATIONS	39,308,796	49,159,370
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NON-OPERATING GAINS OR LOSSES

NET NON OPERATING GAIN/ (LOSS)	518,887	55,450
INCOME (LOSS) BEFORE COST OF FUNDS	39,827,683	49,214,820

COST OF FUNDS:

INTEREST ON BORROWED MONEY	1,068,965	238,783
DIVIDENDS ON SHARES	6,315,829	8,231,682
NET INCOME BEFORE MEMBER REWARDS	32,442,889	40,744,355
LESS:		
EARN YOUR RETURN	5,000,000	5,300,000
NET INCOME (LOSS)	27,442,889	35,444,355

**UNCONSOLIDATED & UNAUDITED



Family Friendly Business – Gold Level, Alibi Best of Burque,
Readers’ Choice – ABQ Journal and Rio Rancho Observer,
Best of Taos, Top Workplaces, and SHIFT award



242 employees volunteered a total of 960 total hours
during Community Day at seven organizations statewide



More than 3.3 million transactions were
processed in our 21 locations



Provided almost \$40.2 million in
direct benefits to members

Supervisory Committee Report

Your credit union experienced a good year in 2019. 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 Doeren Mayhew CPAs and Advisors. 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 would like to assure members that the credit union's management practices are protecting members' assets, as well as complying with bylaws, 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 Nusenda Credit Union, c/o Supervisory Committee, P.O. Box 8530, Albuquerque, NM 87198.

Respectively,



Ed Maestas, Chair

Javier Machuca, Vice Chair

Craig Kallsen, Secretary

Jose Villar, Member

Randy Trask, Board Representative

Ann Brooks
Chair

Judy Cartmell
Member

Martin Serna
Member

John Landis
Vice Chair

Leigh Anne Chavez
Member

Randy Trask
Member

Denise Irion
Secretary/Treasurer

Ray Renteria
Member

Ralph Wallace
Member

2019

Board of Directors



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