

2018  
ANNUAL REPORT

APS Summer School

South Eubank Branch

Community Day

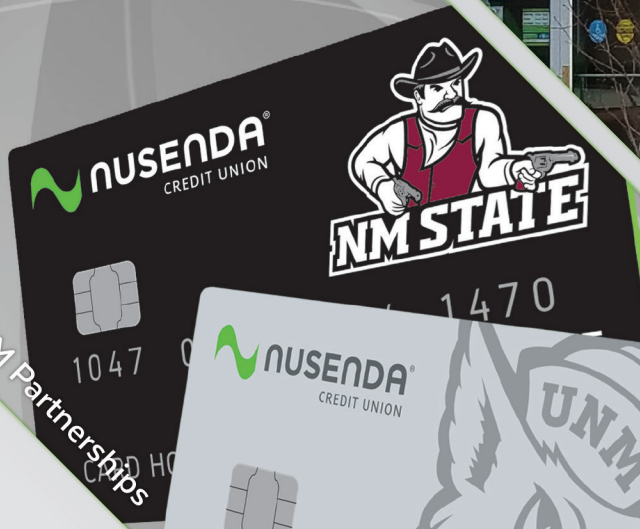
Impacting  
COMMUNITIES

NMSU and UNM Partnerships



**NUSEDA**<sup>®</sup>  
CREDIT UNION

— The Power of WE<sup>®</sup> —



## Chair's Report

During 2018, it's been my honor to serve and represent you in my inaugural year as the Chair of the Nusenda Credit Union Board of Directors.

I'm pleased to share that your credit union finished 2018 with all-time highs in membership, assets, and earnings, all while maintaining a 97.3% "satisfied" or "very satisfied" quality of service reported by your fellow members.



Thanks to your choice in using your credit union's products and services, we saw substantial gains in credit cards, equity loans, and business lending and accounts. That increased member participation helped lift the credit union's total assets by 10.45%, from almost \$2.1 billion in 2017 to almost \$2.3 billion in 2018.

To continue to provide excellent service, the credit union hired 150 new employees; 53 of those positions being newly created. The employee retention rate was 81.74%, which saved members money in onboarding and training expenses. We also participated in job fairs at area colleges, universities, and public events; and provided expert guidance at youth-focused mock interviews. In addition, 22 Albuquerque-area students were hired as interns as part of Nusenda's Financial Services Career Exploration dual-credit program in 2018.

Your credit union processed more than 6.5 million member transactions in branches, online, and through the Call Center. Members also increasingly accessed remote financial services. At the end of 2018, we had 125,947 active Mobile and Internet Banking users.

Since we are a not-for-profit cooperative, your Board of Directors approved Earn Your Return member dividends to those in good standing. In 2018, 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 \$27 million in direct benefits to members in the form of better rates and lower fees in 2018, for a total of over \$172 million in member benefits and returns in the last decade.

We hope you had the opportunity to learn more about the positive impact you make in your communities through the continuation of the Community Rewards awareness campaign. In 2018, we shared stories of 11 of the 81 community partners statewide who are beneficiaries of your contributions. The campaign was the national winner of the 2018 **Wilmer Shields Rich Excellence in Communication Award** from the Council on Foundations, a nonprofit leadership association of grantmaking foundations and corporations. We thank those Community Rewards partners for allowing us to share their stories, and to you for your continued participation.

Lastly, I'd like to congratulate our Nusenda Credit Union and Nusenda Foundation teams for local, national, and international recognitions received in 2018. Most notably, the foundation received the National Credit Union Foundation's **Herb Wegner Memorial Outstanding Organization Award**, the credit union movement's highest national honor.

- Honorary mention, International Credit Union Leadership Development and Education Foundation **Joe Biden Development Educator of the Year Award**.
- Credit Union National Association **Louise Herring Philosophy-in-Action Member Service Award**.
- Ash Center on Democratic Governance and Innovation, Harvard University **Innovations in American Government Award**.
- BBVA Opportunity Finance Network Fellowship.
- New Mexico Tourism Department/Gov. Susana Martinez **New Mexico True Heroes Award**.
- **Philanthropist of the Year**, Journal North and St. Vincent Foundation, Santa Fe.

Thanks to your active participation in your credit union, Nusenda is one of the soundest, safest, and most innovative financial institutions in the country. We look forward to serving you, your family, and your communities throughout 2019.

Respectfully Submitted,

A handwritten signature in black ink that reads "Ann K. Brooks".

Ann Brooks, Chair of the Board



# President's Report

As we continue into our eighth decade, I want to say thank you for your continued trust in Nusenda Credit Union. Because of your enduring support, we're able to provide you all the member benefits you've come to expect, as well as the exemplary service you deserve.



Your credit union's mission is to not only serve as your trusted financial advisor, but to also provide you with high-quality financial products and services, and to continually improve what we do and how we do it – so you can take care of the things that matter most.

It's my pleasure to report that Nusenda Credit Union is strong, stable, and well-prepared to be your partner in financial success for years to come. And unlike big banks, which maximize profits for anonymous shareholders, the credit union returns and reinvests its profits directly to you and into the communities you call home.

Some highlights from 2018:

- Nusenda Credit Union's membership grew to 198,538, a 9.44% increase over 2017. The loan growth and deposit growth in 2018 increased 8.83% and 10.49%, respectively, over 2017.
- As part of our mission to provide the convenience, technology, and accessibility of today and tomorrow, we opened our newest Albuquerque branch on Eubank just south of Central in December, bringing us to a total of 20 branches. Coming in 2019, you'll see a relocated and updated branch in Socorro, and a new branch at our administrative campus.
- We rolled out impactful new products and services to our member-owners. Thanks to our long-term partnership with the University of New Mexico, students can now visit the Center for Financial Capability, an on-campus resource center dedicated to financial well-being. We also helped hundreds of your fellow members through the partial government shutdown with member assistance loans, loan payment extensions, savings-secured loans, and helpful budgeting tools. Lastly, with the upsurge of phishing and identity theft, we're staying up to date with the latest in cybersecurity measures to ensure that your personal, business, and financial information is protected according to the highest standards in secure online banking and privacy protection.

Other notables:

- The Albuquerque Journal named Nusenda **Best Credit Union** for the fifth straight year, as well as one of its **Top Workplaces** for the sixth straight year, taking the No. 1 spot in the medium-sized company ranking and the Direction Leadership award. The Rio Rancho Observer readership named us **Best Credit Union**, the New Mexico Daily Lobo named us **Best Banking Service** in its Lo Mejor awards, Weekly Alibi readers named us **Best Credit Union** in its Best of Burque awards, and we received a **Healthiest Place to Work** nod from Albuquerque Business First and a **gold-tier distinction** for the second year by Family Friendly New Mexico for our workplace policies.
- Nationally, Nusenda Credit Union was ranked 17th (sixth in credit unions with assets over \$1 billion) in the Credit Union Journal's **Best Credit Unions to Work For** survey.
- Based on team feedback to be of greater service in their communities, we offered more volunteer opportunities to our employees. In October, five local charities in Santa Fe, Albuquerque, and Socorro benefitted from 235 Nusenda volunteers (45% of its workforce) during our annual Community Day of service. And our new Adopt-A-Cause program gave our team members the chance to volunteer year-round with their branch or department to support local organizations such as PB&J Family Services, The Girls Inc., Locker #505 student clothing bank, and Ronald McDonald House Charities of New Mexico. In fact, their work garnered national praise from the Credit Union National Association, which awarded us an honorable mention for the **Dora Maxwell Social Responsibility Community Service Award**.

Thanks to your continued membership and support, in 2019 we're excited to expand both our footprint and our team of dedicated employees with the goal to be of better service to you and your fellow New Mexicans. Nusenda's Board of Directors and senior leadership team will continue to drive innovation and service excellence, plus maintain the cooperative spirit of the credit union movement – all with the aim to positively impact the daily lives of our members and their communities in a way that benefits all.

**The Power of WE®** is more than a simple phrase – it's in our DNA. We've harnessed the power of more than 500 individuals who have come together to transform the financial lives of New Mexicans. It is the "WE" that defines our success – both now and in the future.

A handwritten signature in black ink, appearing to read "Joe Christian".

Joe Christian, Interim President/CEO

## Statement of Financial Condition\* as of:

### ASSETS

TOTAL LOANS  
LESS: ALLOWANCE FOR LOAN LOSSES  
CASH AND CASH EQUIVALENTS  
TOTAL INVESTMENTS  
LAND AND 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 AND UNDIVIDED EARNINGS  
UNREALIZED GAIN/LOSS INVESTMENTS

### TOTAL LIABILITIES AND EQUITY

### INCOME AND EXPENSE SUMMARY

### INCOME (OPERATING):

INTEREST ON LOANS  
INCOME FROM INVESTMENTS  
FEE INCOME  
OTHER OPERATING INCOME

### TOTAL GROSS INCOME

### EXPENSES (OPERATING):

EMPLOYEE COMPENSATION AND BENEFITS  
TRAVEL AND CONFERENCE EXPENSES  
OFFICE OCCUPANCY EXPENSE  
OFFICE OPERATIONS EXPENSE  
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 MEMBER REWARDS

LESS:  
NCUSIF/TCCUSF STABILIZATION EXPENSE  
EARN YOUR RETURN

NET INCOME (LOSS)

2017

2018

1,686,456,529  
(11,780,281)  
67,222,509  
214,912,338  
31,015,712  
8,571,678  
-

63,046,242

2,059,444,727

785,223  
1,814,570,297  
34,083,154

210,006,053

2,059,444,727

2017

69,457,129  
4,035,408  
18,520,882  
16,852,170

108,865,589

33,639,727  
168,078  
2,829,101  
16,154,632  
4,658,662  
4,681,382  
3,553,868  
10,864,105  
341,068  
1,369,732

78,260,355

30,605,234

515,407  
31,120,641

1,003,019  
4,863,312  
25,254,310

-  
4,100,000

21,154,310

1,835,427,985  
(13,211,966)  
69,097,773  
277,594,757  
38,394,014  
7,512,383  
-

59,866,162

2,274,681,108

500,000  
2,004,863,466  
37,111,544

232,206,097

2,274,681,108

2018

78,092,985  
5,486,111  
18,828,715  
20,636,368

123,044,179

36,122,573  
238,753  
3,176,345  
17,383,653  
4,983,295  
4,571,635  
4,322,370  
11,301,000  
424,918  
1,210,841

83,735,383

39,308,796

518,887  
39,827,683

1,068,965  
6,315,829  
32,442,889

-  
5,000,000

27,442,889

\*UNCONSOLIDATED and UNAUDITED

## Supervisory Committee Report

Your credit union experienced a good year in 2018. 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 continues to strive 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

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• BOARD OF DIRECTORS •

2018

**Ann K. Brooks**  
*Chair of the Board*

**P. John Landis**  
*Vice Chair*

**Denise Irion**  
*Secretary/Treasurer*

**Judy Cartmell**  
*Member*

**Leigh Anne Chavez**  
*Member*

**Ray Renteria**  
*Member*

**Martin Serna**  
*Member*

**Randy Trask**  
*Member*

**Ralph Wallace**  
*Member*



———— The Power of WE® ————

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