



Artesia Credit Union

67th Annual Meeting

December, 16th, 2022

STATEMENT OF CONDITION

	<u>December 31 2016</u>	<u>December 31, 2021</u>
<u>ASSETS</u>		
Loans to Members	\$ 52,258,031	\$ 72,322,558
Cash on Hand	\$ 591,405	\$ 617,893
Investment Accounts	\$ 35,128,310	\$ 49,718,798
Accrued Income	\$ 168,073	\$ 194,004
Prepaid and Deferred Expenses	\$ 137,574	\$ 108,970
Fixed and Other Assets	\$ 10,572,280	\$ 8,712,491
Reserve for Losses	\$ (399,131)	\$ (960,000)
NCUSIF	\$ 718,732	\$ 865,899
<u>Total Assets</u>	<u>\$ 99,175,274</u>	<u>\$ 131,580,613</u>
<u>LIABILITIES & CAPITAL:</u>		
Accounts Payable	\$ 201,649	\$ 83,684
Accrued Expenses	\$ 1,321,401	\$ 171,166
Member Share Accounts	\$ 84,948,178	\$ 112,998,264
Regular & Special Reserves	\$ 1,299,918	\$ 1,291,897
Undivided Earnings	\$ 11,404,128	\$ 17,035,602
<u>Total Liabilities & Capital</u>	<u>\$ 99,175,274</u>	<u>\$ 131,580,613</u>

STATEMENT OF INCOME

<u>INCOME:</u>		
Interest Earned on Loans	\$ 2,548,837	\$ 3,361,584
Income from Investments	\$ 241,588	\$ 172,057
Miscellaneous Income	\$ 815,362	\$ 1,284,127
<u>TOTAL OPERATING INCOME</u>	<u>\$ 3,605,787</u>	<u>\$ 4,817,768</u>
<u>TOTAL OPERATING EXPENSES</u>	<u>\$ 2,353,249</u>	<u>\$ 3,682,183</u>
<u>TOTAL MEMBERS</u>	7,120	8,350

A MESSAGE TO THE MEMBERS

In 2022, Artesia Credit Union is celebrating 67 years as a credit union. It is truly amazing to see how the Credit Union has grown and prospered. Even as we look back on the past 67 years, and how we got here, we are also looking forward to the growth and success that is yet to come.

In 2021, Artesia Credit Union continued on a path of excellence. Since we last met, the credit union has seen steady growth, now serving approximately 8,350 members. We have gone through a rethinking of our strategies, moving more and more toward electronic services to enhance our members' experience. Keeping up with the rapid transition to a digital financial experience means that our members can apply for accounts and loans, communicate with credit personnel, and complete transactions all through the use of an electronic device. Accounts at Artesia Credit Union can always be accessed 24 hours a day, with online, mobile, and text banking.

Artesia Credit Union has also continued to strive to help our members during this unprecedented time. We have been hoping all year that we would be able to have our in-person annual meeting, but it is obvious that will not happen in 2022. We are attempting to reach all of you through this communication, hoping to have a more traditional annual meeting in 2023. Stay tuned for details!

We are proud to report that ACU's capital ratio at year-end 2021 was 13.93. To be considered well capitalized by the NCUA, a credit union must have a capital ratio of 7.00%. Our assets grew to \$131,580,613.37 in 2021 and positive growth trends have continued throughout 2022. On the following page, we present a breakdown of the assets and liabilities of Artesia Credit Union.

The credit union has continued to move into the future, and we have added several new services for the convenience of the member. We have added instant issue debit cards, and it is now possible to pick up a new debit card immediately. We are looking forward to adding "Apple Pay" and "Google Play" to our suite of services. Our remodeling project was completed last year, and we are very proud of our facilities.

Our success is attributed to the hard work of our highly trained, dedicated, and experienced staff, who are focused on delivering the highest levels of member service at every step. We are also fortunate to have dedicated volunteers who make up the Board of Directors and Supervisory Committee. When members choose Artesia Credit Union, they receive access to top of the line technology, and a personal approach to managing their business.

As we reflect on our years as a credit union, it is clear that our philosophy and our commitment to our members has remained unchanged. There are many ways to measure the performance of the credit union; at Artesia Credit Union we believe the most important measurement is the member. Thank you for your membership and confidence. We look forward to serving you in 2023 and beyond.

Ronnie Johnston, CEO

Brian Taylor, Board Chairman

Supervisory Committee Report

December 16, 2022

REPORT OF THE SUPERVISORY COMMITTEE—CHERYL BRATCHER, CHAIRPERSON

The Supervisory Committee is composed of: Cheryl Bratcher, Chairperson
Vickie Dickerson
Mary Sue Kuykendall
Carolyn Shearman

Report:

The Supervisory Committee performs monthly duties such as verifying Bank Reconciliations, checking new loans for compliance, doing surprise teller cash counts, and many other tasks. The committee provides the Board with reports on its progress and findings related to its audit procedures and oversight of internal control.

In December of 2021, the Financial Institutions Division of the State of New Mexico conducted an examination of the credit union operation as of the close of business on September 30, 2021. The overall financial condition of the credit union was found to be satisfactory, and general ledger accounts were found to be in balance, and member accounts were in proper order.

In October of 2021, the firm of Parks & Company PLC conducted an internal audit of the credit union operations as of the close of business on September 30, 2021. In this audit, general ledger accounts were found to be in balance and member accounts were in proper order.

In addition, in 2021, Parks & Company conducted an audit of ACH Transaction Processing and Bank Secrecy Act Compliance, as well as SAFE Act Compliance. In all of these audits, there were no major discrepancies found and all transactions were found to be in compliance with federal and state law.

Members of the Supervisory Committee believe, based on its programs and activities, that the Credit Union maintains a high level of internal control and has met the standards of safety and soundness required by its regulators.

The Supervisory Committee also conducted a complete Verification of Member Accounts as of June 30, 2022, as required by law. The Supervisory Committee has continued to engage professionals to perform required audits and procedures.

Respectfully,

Cheryl Bratcher

NOMINATING COMMITTEE

It is the duty of the nominating committee to nominate one or more nominees for each vacancy, including any unexpired term vacancy, for which elections are being held.

At this time, Artesia Credit Union does not have any open seats for the Board of Directors or Supervisory Committee.

The slate of volunteers is presented to the membership and appointment by acclamation for another two- year term:

Board of Directors

Brian Taylor

Mike Anderson

Supervisory Committee

Allen Willard

Cheryl Bratcher

Joanne Clowe