



Artesia Credit Union

68th Annual Meeting

December 13th, 2023

STATEMENT OF CONDITION

	<u>December 31, 2017</u>	<u>December 31, 2022</u>
<u>ASSETS</u>		
Loans to Members	\$ 65,405,579	\$ 87,472,207
Cash on Hand	\$ 849,428	\$ 608,578
Investment Accounts	\$ 19,642,324	\$ 42,895,189
Accrued Income	\$ 181,961	\$ 249,230
Prepaid and Deferred Expenses	\$ 299,272	\$ 145,071
Fixed and Other Assets	\$ 10,418,747	\$ 8,590,281
Reserve for Losses	\$ (526,700)	\$ (1,133,000)
NCUSIF	\$ 786,189	\$ 925,271
<u>Total Assets</u>	<u>\$ 97,056,800</u>	<u>\$ 139,752,527</u>
<u>LIABILITIES & CAPITAL:</u>		
Accounts Payable	\$ 615,411	\$ 66,698
Accrued Expenses	\$ 1,030,652	\$ 291,630
Member Share Accounts	\$ 81,522,263	\$ 119,770,018
Regular & Special Reserves	\$ 1,289,752	\$ 1,291,896
Undivided Earnings	\$ 12,598,722	\$ 18,332,585
<u>Total Liabilities & Capital</u>	<u>\$ 97,056,800</u>	<u>\$ 139,752,827</u>

STATEMENT OF INCOME

<u>INCOME:</u>		
Interest Earned on Loans	\$ 2,713,053	\$ 3,603,650
Income from Investments	\$ 285,914	\$ 445,612
Miscellaneous Income	\$ 890,303	\$ 1,011,293
<u>TOTAL OPERATING INCOME</u>	<u>\$ 3,889,270</u>	<u>\$ 5,060,555</u>
<u>TOTAL OPERATING EXPENSES</u>	<u>\$ 2,380,947</u>	<u>\$ 2,984,558</u>
<u>TOTAL MEMBERS</u>	7,356	8,540

A MESSAGE TO THE MEMBERS

In 2023, Artesia Credit Union is celebrating 68 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 68 years, and how we got here, we are also looking forward to the growth and success that is yet to come.

In 2022, Artesia Credit Union continued on a path of excellence. Since we last met, the credit union has seen steady growth, now serving approximately 9,056 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.

We are proud to report that ACU's capital ratio at year-end 2022 was 14.04. To be considered well capitalized by the NCUA, a credit union must have a capital ratio of 7.00%. Our assets grew to \$139,752,827.00 in 2022 and positive growth trends have continued throughout 2023. 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 have added "Apple Pay" and "Google Play" in our suite of services. We have recently rolled out Zelle, a convenient and sophisticated method of transferring money to another party. 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 2024 and beyond.

Ronnie Johnston, CEO

Brian Taylor, Board Chairman

Supervisory Committee Report

December 13, 2023

REPORT OF THE SUPERVISORY COMMITTEE—JOANNE CLOWE, CHAIRPERSON

The Supervisory Committee is composed of: Joanne Clowe, 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 November of 2023, the Financial Institutions Division of the State of New Mexico, and the National Credit Union Administration, conducted an examination of the credit union operation as of the close of business on June 30, 2023. 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 2022, the firm of Parks & Company PLC conducted an internal audit of the credit union operations as of the close of business on September 30, 2022. In this audit, general ledger accounts were found to be in balance and member accounts were in proper order.

In addition, in 2022, 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,

Joanne Clowe

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.

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

Board of Directors

Cherie Widmayer

Camille George

Allen Willard

Supervisory Committee

Karen Leishman

Carolyn Shearman

Mary Sue Kuykendall

Andrea Fuentes