



2020 ANNUAL MEETING

2019 • annual • report

/ any(oo)əl/ • /rə pòrt/

adjective • noun

Occurring once every year. • An account given of a particular matter, especially in the form of an official document.



2020 ANNUAL MEETING AGENDA

Thursday, July 16, 2020, at 6:00 p.m.

1. Call to Order
2. Confirmation of a Quorum
3. Approval of the Agenda
4. Appointment of Parliamentarian - Theresa Parrish, Esq.
5. Introduction of Current Directors, Supervisory Committee Members and President/CEO
6. Nominees - Report: Benito Salazar, NEC Chairman
7. Motion to Affirm Nominees
8. 2019 Annual Reports
 - Board Chair
 - Treasurer
 - Supervisory Committee Chair
9. Recognition of Scholarship Recipients
10. Service Awards
 - George Best (resigned) - 34 years
 - Levi Lopez - 25 years
 - Delia Cisneros - 25 years
 - Lilliemae Ortiz - 9 years
 - Don Close - 5 years
11. Door Prize Drawings
12. Comments/Questions from the Membership
13. Adjournment

co·op·er·ative

/kō äp(ə)rədīv/

adjective

Involving mutual assistance in working toward a common goal.

That is what Del Norte Credit Union is. We are a financial cooperative. Together, with our membership, board of directors, and employees we persevere. During these past trying months, we have had time to reflect on what is truly important. This led us to remember and reflect on the exciting accomplishments we provided for our members in 2019.

And even though the world around us is changing in 2020, we are proud to have continued our essential banking services during the first half of the year and look forward

to helping our communities march forward.

We have come together to support each other, and we thank all 57,000+



members for adjusting with us in our new normal. As we continue to put the health and safety of our members, staff, and

communities first, we're excited to announce that soon we will increase lobby services with safety precautions in place.

This would not be possible without our extraordinary and dynamic team from our six branches across northern New Mexico, our support services building in Española, and our two administration buildings in Santa Fe, (and now from homes everywhere!)

Looking back at our record-breaking 2019, we celebrated 65 years of improving lives together and in many ways. Since 1954, your credit union has been hard at work connecting with you, our members, in order to help you achieve financial success.

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N^{del}orte
CREDIT UNION

2019
ANNUAL REPORT

We are a member-owned financial cooperative, which means your voice matters. Our history has been shaped with the voice of our members to create the best banking experience.

Forbes Magazine named us one of America's Best-In-State Credit Unions. The banks and credit unions with the highest scores in the following five categories were recognized: trust, terms and conditions, branch services, digital services, and financial advice. These are the categories that Del Norte Credit Union excels in which resulted in being recognized as among the best in the nation.

We ranked among 2019's Top 200 Healthiest Credit Unions in America with over 5,000 Credit Unions nationwide evaluated, issued by DepositAccounts.com, a subsidiary of LendingTree. To determine bank ranking and recognition, DepositAccounts.com grades each

institution on a number of factors, including capitalization, deposit growth, and loan-to-reserve ratios.

Locally and for the 5th year in a row, we were recognized by the readers of Santa Fe Reporter as the #1 Financial Institution in northern New Mexico. We also celebrated our recognition as #1 Lender and Top 3 Best Mortgage Lender and Best Place to Work!

Our most important accolade was determined by our own employees. We were named Best Places to Work through an employee survey administered by Albuquerque Business First.

Among the improvements and assistance for our members and our communities, we started the year out offering special financial options for our furloughed government employees, streamlined our mortgage servicing process,

offered car buying and investments workshops, shared financial literacy for the youth of Northern New Mexico, increased our share rates, offered a share certificate special, and even consulted with local organizations about Public Banks. Our community donations exceeded \$90,000 and our scholarship program awarded \$10,000 to ten area-graduating seniors! This is the way our cooperative works for you and those around you. These funds come from multiple places including our very own members and employees. You are part of a synergetic financial system that is Improving Lives for all families and individuals living in New Mexico and beyond. Thank you for your membership, together we are unstoppable.

REPORT FROM THE CHAIRMAN

report

/rə pōrt/

noun

An account given of a particular matter, especially in the form of an official document, after thorough investigation or consideration by an appointed person or body.

Last year was full of many successes for Del Norte Credit Union. We grew to over \$700 million in assets and membership increased to 55,621. Our growth was 3% higher than the NCUA Peer group. That means we were able to improve the lives of an additional 7,500 more people in the communities we serve.

While we continue to build and expand our relationships in the communities we serve, we look forward to expanding into other markets. DNCU has initiated a search for property in Rio Rancho, New Mexico as we continue to grow our membership south of Santa Fe. We are also happy to announce that we purchased property in Rio

Arriba County and our construction of our second location in Española is underway. We recognized that our loyal membership base in Española needed the convenience of another full-service branch. We plan to open closer to winter of 2020 at 1720 N. Riverside Drive.

While expanding our footprint, we also realized that we needed to expand some of our product lines. Our mission of Improving Lives is not just for individuals' lives, but also for the lives of business owners. Our Business Services Department is under development and we are excited to begin offering business

deposit and loan services soon. We feel confident that we will be able to provide unique and reliable business services to our local businesses.

As we grow, we continue on our journey of performance excellence with continual process improvements



and building a strong foundation that will continue to support our growth. Clear organizational structure and

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REPORT FROM THE CHAIRMAN/CONTINUED

sustainable processes are paramount for our future desired state.

We make well-rounded decisions and listen to multiple stakeholders including our employees. We take great pride in our commitment to take their feedback and continually look for ways we can improve. One way we further our mission of Improving Lives is by providing a robust benefits package for our employees. We understand that a safe and healthy work environment creates an environment for success. We also focus on releasing our employees potential by promoting from within. We have a great group of high performers and warmly engaged employees that truly strive with each interaction to improve the lives of our members.

Another way we engage our employees is through the

communities we serve. Last year, Del Norte Credit Union members and our employees provided over \$90,000 to local organizations, and over \$13,000 of that came directly from our employees. Over 64 organizations received our support through event sponsorships, fundraisers, and donations. \$10,000 in scholarships were awarded in 2019 to ten high



school seniors or home school seniors. Several of our scholarships recipients have a special surprise for you later on in the meeting. We are proud to focus our efforts on improving the lives of the youth and their families in New Mexico.

We continue to offer financial support and education through various different types of services. Our

website offers many free resources offered by our valued partner, Green Path. Educational tools include financial counseling, housing resources, videos, and courses to help anyone at any age achieve financial wellness. Our employees also provided workshops and seminars throughout the year on topics such as car buying, investing, retirement savings, social security benefits, and more.

The Board of Directors and the employees of Del Norte Credit Union appreciate your membership and your feedback. If you have questions for us, please type them in the Chat section of the Zoom toolbar and we will answer those questions near the end of our meeting tonight. We look forward to improving your lives now and in the future. Thank you.



BOARD OF DIRECTORS

Clyde A. Leyba - Chair
Art Salgado - Vice Chair
Levi Lopez - Treasurer
Lilliemae G. Ortiz - Secretary
Delia Cisneros - Director
Julie Feldman - Director
Benito Salazar - Director
Len Montoya - Director
Luis X. Alba - Director

SUPERVISORY COMMITTEE

Roger Stutz - Chair
Ivie Vigil - Secretary
George Best (Resigned)
David Lee
Don Close

12.1%
Member
Growth

\$90,000+
Community
Donations

\$17,030,956
Baxter's Bunch
& Kids Share
Deposits

600 +
Volunteer
Hours

10.5%
Deposit
Growth

13,500+
Active Mobile
Banking Users

10,788+
Loan
Applications

25,533+
Online
Banking Users

12.4%
Loan Growth

OUR YEAR IN PICTURES



Ndel Norte
CREDIT UNION

**2019
ANNUAL REPORT**

REPORT FROM THE TREASURER

treas·ur·er

/ treZH(ə)rər/

noun

A person appointed to administer or manage the financial assets and liabilities of a company

Del Norte Credit Union (DNCU) continues to operate in a financially safe and sound manner. As of December 2019, we earned our 64th consecutive quarter five star rating as an “exceptional performance credit union” by Bauer Financial Services, the leading independent bank and credit union rating and research firm. We also have an A+ rating from DepositAccounts.com and have been named to their Top 200 Healthiest Credit Unions.

For the twelve months ended December 31, 2019, we continued to improve our financial condition. With a solid capital ratio of 11.53%, DNCU is well above the National Credit Union Administration (NCUA) “well capitalized” position of 7%. We look

forward to continuing these results for our membership into the future.

2019 was a solid year for Del Norte Credit Union operations. Please see the Statement of Financial Condition in this report. Net income was slightly over \$8.5 million for the year. Assets increased by \$65 million to end the year over \$700 million while capital increased by 11.8% to \$81 million. Total loans grew by \$61 million to \$560 million while deposits grew by over 10.5% or \$58 million to \$614 million. DNCU maintains a very low interest rate risk profile, so as interest rates rise, we will continue to be well positioned for this rate environment.

As a not-for-profit financial cooperative we are pleased that we

are meeting our goal of operating in a sustainable, safe, and sound manner while providing five-star service and improving the lives of you, our member/owners.

We closely monitor DNCU’s financial situation and make decisions to ensure the financial safety and soundness of your credit union. We strive to provide our members the best possible service, fairly priced products, and technology to make members’ banking lives easier.

Thank you for your membership and continued support.

REPORT FROM THE SUPERVISORY COMMITTEE CHAIRMAN

com·mit·tee

/kə mīdē/

noun

A group of people appointed for a specific function

The Supervisory Committee (The Committee) is responsible for ensuring the financial records of Del Norte Credit Union are accurate and that safeguards are in place to protect the assets and information of the credit union and its members.

Members of the Committee are credit union members appointed by the Board of Directors. The Committee interacts with regulatory agencies, professional auditing firms, the Board, and management to address financial, compliance, internal control, and regulatory issues.



The Committee oversees the annual CPA opinion audit, member account verification process, internal audit function, National Credit Union Association & New Mexico Financial Institutions Division examinations, and monitors member feedback. The

audit report conducted by the independent auditing firm of Nearman & Associates, CPAs for

the year ended March 31, 2019, is available upon request, and the March 31, 2020 audit will be available in July 2020.

I am pleased to report that once again in 2019, DNCU received a clean audit opinion from our CPA firm, Nearman & Associates, a very positive report from the NCUA & FID's regulatory audit, and positive feedback from the various Credit Union Resources internal audits.

The Committee will continue to work on the members' behalf to ensure DNCU's assets are protected, regulations are followed, and the credit union continues to operate in a safe and sound manner.



Statement of Financial Condition as of December 31, 2018 and 2019 (Unaudited)

	2019	2018
ASSETS		
Net Loans	\$559,506,438	\$498,614,532
Cash	74,733,992	61,679,917
Investments	22,750,443	32,359,499
Fixed Assets	22,370,657	23,064,942
Other Assets	22,504,300	20,778,482
Total Assets	\$701,865,830	\$636,497,372
LIABILITIES & EQUITY		
Total Liabilities	\$6,652,318	\$8,035,086
Total Shares	614,265,960	556,070,393
Total Equity	80,947,552	72,391,893
Total Liabilities & Equity	\$701,865,830	\$636,497,372
INCOME & EXPENSES		
Interest Income	\$26,300,392	\$21,549,700
Interest Expense	1,682,382	1,105,779
Net Interest Margin	24,618,010	20,443,921
Fee and Other Income	8,690,295	7,700,389
Income Before Operating Expenses	33,308,305	28,144,310
Operating Expenses	22,263,116	20,615,889
Provision Expense	2,531,647	2,287,465
Net Operating Income	8,513,542	5,240,956
Non-operating Income/(Expense)	42,135	375,556
Net Income	\$8,555,677	\$5,616,512