

President/CEO Report

Winona Nava, President/CEO

Welcome to the 2017 Annual Meeting! The year was another very successful year for Guadalupe Credit Union (GCU), serving many new members within our field of membership. Asset growth was over \$10 million, our membership increased by 2,000, and loans grew by over \$5 million. GCU continues to focus on our mission of providing Financial Empowerment in the communities we serve.

GCU has invited Roberta Armijo to share with us some of the experiences of GCU's long-term members at this year's meeting. Although 70 years have passed, GCU is still a needed alternative for Santa Fe residents to Predatory Lenders. If you have friends or relatives using today's Predatory Lenders and Check Cashers such as Fast Bucks, Check n Go, Speedy Loans, Sun Loans, Security Finance, and One Main, please let them know that Guadalupe Credit Union has great alternatives available to them.

This past year was a busy one for our Financial Coaching Department. The department conducted Financial Education Workshops in diverse locations throughout the counties GCU serves, including schools, after school programs, GED Programs, Community Colleges, ESL Classes, transitional living centers, senior housing, and Court ordered programs, just to name a few. Biz Kids, a financial education course for youth was conducted at all nine City of Santa Fe Summer Youth Programs in 2017.

The Don Diego, Espanola, and Taos Branches added full-time financial coaches. Quarterly Credit Clinics helped both members and non-members improve their credit. Pathways, a new software program, was implemented to improve communication and provide important measures of success for those participating in one-on-one financial coaching sessions. Among credit unions using this software, GCU won a first place award for helping our members in the financial coaching program achieve the highest average level of debt reduction. If you or someone you know would like to find out how to reduce your debt, we invite you to setup an appointment with one of our financial coaches.

The Santa Fe Farmer's Market Institute moved their lending partnership to us. This gives GCU an exceptional opportunity to work with the local farmers to meet their financial needs and help them expand their businesses. GCU's mix of products now includes farm equipment loans.

In order to provide improved service to the Taos Community, the branch relocated to a full service facility. Members can now have their cash needs met in the branch. Shared branching is available in Taos to members of other credit unions. With these changes and the sale of a local community bank, the branch is growing at a much faster pace.

GCU purchased an administrative building in 2017. The building remodel was complete in March of 2018. This will increase the space available at the Rodeo and Airport Branches for member needs. It also allows all of the back office/administrative staff to be housed together, which will improve communication and efficiency between departments. The building is big enough to meet GCU needs for many years. GCU was able to rent one-half of the building, so rental income offsets a large portion of the cost.

GCU now offers a non-custodial youth account. The Foster Care Program requested that GCU offer this account to provide services to employed minors. The account's features allow the minors to open an account without the assistance of a parent, guardian, or other adult.



Stay tuned, because 2018 will be another exciting year in our credit union's history. The staff and officials of GCU extend our sincerest thanks to you, our valued members, for your business and loyalty to GCU!

Winona Nava

**President/CEO
Guadalupe Credit Union**



- 3601 Mimbres Lane, Santa Fe, 87507
- 3721 Academy Road, Santa Fe, 87507
- 1101 Don Diego Avenue, Santa Fe, 87505
- 460-G. N. Riverside Drive, Española, 87532
- 630 Paseo del Pueblo Sur, Suite 140, Taos, 87571
- #508 State Highway 518, Mora, 87732

- 505-982-8942
- 505-982-8942
- 505-982-8942
- 505-747-6548
- 575-758-3899
- 575-387-2644

www.guadalupecu.org



1948 - 2018



2018 ANNUAL MEETING

SUNDAY, APRIL 22 | SANTA MARIA DE LA PAZ

Board of Director Report

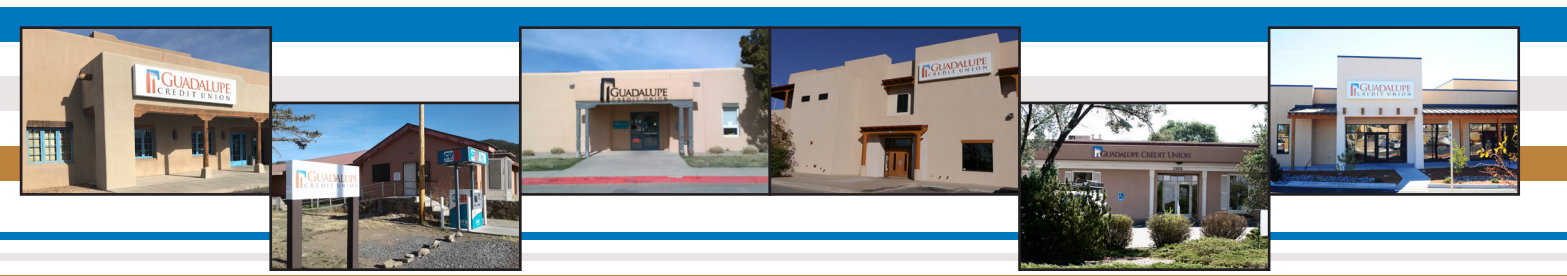
Priscilla Archuleta, Board Chair

They say it takes a village to raise a child. I believe that it also takes a village to have a successful credit union. That is exactly what we have under the expert guidance of our CEO Winona Nava, Guadalupe Credit Union management, staff and volunteers and is what we attribute our success to! Without all these dedicated staff members, we would not be where we are. It is my pleasure to report that our Guadalupe Credit Union is growing and is as strong as ever!

Some of our accomplishments last year were:

1. Loan growth increased by over \$4.6 million over 2016
2. ROA was significantly higher than budget projections
3. Purchased a new Administration building, located at 2019 Galisteo St, Suite K1, and moved into it during March of this year
4. Moved into a new, larger building in Taos
5. Growth of the Financial Empowerment Department, concentrating on Financial Literacy for both adults and students, teaching financial basics
6. Receipt of the grant funds awarded in 2016

On behalf of the volunteers, we thank you for your confidence in electing us to serve you. In closing, I would like to say that it has been a privilege and honor to serve as your Board Chair, and although I will no longer be able to volunteer, GCU will always be in my heart and I will always consider it the best place to volunteer and do business in Santa Fe! Hasta La Vista!



Supervisory Committee Report

Hazeldine Romero, Supervisory Committee Chair

The Supervisory Committee is made up of five member-volunteers. The members are Chairperson Hazeldine Romero, Vice-Chair John Block, Secretary Donna Vigil, Linda Medina and Mike Martinez. The Committee is charged with protecting your money. There are many things that can go wrong in the day-to-day operations of the credit union, such as member or employee errors or even fraud, outside forces such as hacking or identity theft, computer malfunction or even weather-related issues. To minimize the effect of these risks, the Committee, through the Risk and Audit Department, ensures there are controls in place to prevent or detect problems that we can control and procedures to deal with those we cannot control.

The Committee contracted with the outside audit firm of Jaramillo Accounting Group to perform the 2017 and 2016 financial statement audits. They are in the process of completing the 2017 audit. The 2016 financial audit resulted in an unqualified opinion, meaning the auditors reviewed our financial information and believe they are accurate, complete and in accordance with financial reporting requirements, similar to a patient receiving a "clean bill of health." In addition, GCU is periodically reviewed by State and Federal regulators. These audits and reviews found no major concerns, however, they did recommend minor operational improvements and the Board and management immediately implemented their recommendations.

We are committed to support the mission of our credit union to provide financial empowerment to our members and the community we serve. We appreciate the hard work and dedication of management and the staff.

Treasurer Report

Carmen Dominguez, Board Secretary/Treasurer

As we celebrate Guadalupe Credit Union's 70th anniversary, I am pleased to report that GCU remains strong, providing affordable financial products and services to our members and serving the underserved.

It is my pleasure to provide you with an overall view of our financial status for 2017. Total assets grew 6.86% in 2017, and loans to members grew by 4.14%. For your reference, a comparison of where we stood as of December 31, 2017 compared to 2016 is presented below.

As it has been for 70 years, GCU remains committed to managing its members' funds according to the very highest standards. Protecting your resources is our first priority, and our CEO, our management team, and our staff, are all dedicated to deliver exceptional experiences and the best products and services for our community.

STATEMENT OF FINANCIAL CONDITION

	DEC. 31, 2016	DEC. 31, 2017
ASSETS		
Loans to Members	117,959,352.37	122,839,588.17
Less Allowance for Loan Loss	(1,568,664.84)	(1,619,834.44)
Cash	2,779,106.95	2,362,369.71
Investments	25,834,075.10	28,615,199.10
Building and Equipment	6,680,532.85	9,049,571.85
Other Assets	699,220.38	1,597,824.92
TOTAL ASSETS	152,383,622.81	162,844,719.31
LIABILITIES, SHARES, & EQUITY		
Liability	1,786,563.30	2,087,261.72
Share Certificates	47,608,146.93	46,890,976.14
IRA Deposits	6,502,824.17	6,338,608.14
Share Draft/Checking	15,235,618.06	16,892,205.15
Money Market Shares	21,289,650.66	21,564,906.08
Shares	45,207,555.66	50,981,900.60
Other Comprehensive Income	(1,616,235.00)	(1,490,697.00)
Undivided Earnings	15,639,439.94	18,849,499.39
Regular Reserve	730,059.09	730,059.09
TOTAL LIABILITIES, SHARES, & EQUITY	152,383,622.81	162,844,719.31
INCOME STATEMENT		
Loan Income	7,691,212.92	8,076,008.94
Investment Income	110,449.21	284,895.50
Other Income	2,890,699.81	5,356,105.88
TOTAL INCOME	10,692,361.94	13,717,010.32
Less Operating Expense	8,153,897.19	8,827,876.87
OPERATING INCOME	2,538,464.75	4,889,133.45
Dividends to Members	533,031.78	591,452.42
Interest on Borrowed Money	---	---
Less Loan Loss Expense	837,583.00	1,063,000.00
NET INCOME	1,167,849.97	3,234,681.03
Gain/Loss on Investment	(1,052.31)	---
Gain/Loss on Disposition of Assets	(95,063.08)	(140,512.51)
Gain/Loss from Bargain Purchase - Merger	---	115,890.93
NET INCOME	1,071,734.58	3,210,059.45

Loan Report

Brenda Dominguez, Chief Lending Officer

In 2017, Guadalupe Credit Union loans grew 4.14%, an increase of \$4.9 million from December 2016. The main increase was \$5.5 million in auto loans. Congratulations to the Lenders and Financial Coaches for all their hard work and contribution to another great year. All together, they processed 4,465 new loans totaling \$41,560,500.00 with an average loan balance of \$8,700.

As your credit union, we look forward to continuing to support our members by promoting financial empowerment. We invite members and non-members alike to schedule an appointment for a free credit check up. Our Financial Coaches are here to help you by looking at your current financial picture, as well as to help you plan for the future and answer any questions you may have.

On behalf of the lending team at Guadalupe Credit Union, we would like to thank you for trusting us with your financial well-being and allowing us to work with you to meet your ongoing financial needs.

GUADALUPE CREDIT UNION 2017 LOANS

New Auto	352	7,330,058.53	5.97%
Used Auto	3,285	35,001,775.31	28.49%
Signature Loans	1,025	2,434,251.29	1.98%
LOC/Check Guard	2,472	6,891,012.28	5.61%
Rec. Vehicle	168	1,834,545.99	1.49%
Mobile Home	182	2,828,731.34	2.30%
TDR/Work Out			
Consumer Loans	14	245,453.83	0.20%
Share Secured	333	2,854,150.52	2.32%
Heavy Equipment Loans	1	14,382.55	0.01%
All Other Loans	2,158	626,649.66	0.51%
1st Mortgage <15 yr	167	8,395,466.90	6.83%
Vacant Land 1st Mortgage	158	5,352,968.68	4.36%
Vacant Land Balloon	4	133,181.43	0.11%
1st Mortgage Balloon	294	35,347,817.84	28.78%
1st Adjustable Rate Mortgage	31	4,581,005.24	3.73%
2nd Mortgage Balloon	4	307,837.85	0.25%
2nd Mortgage <15 yr	37	639,440.91	0.52%
Non Owner Occupancy			
Real Estate	11	545,755.17	0.44%
Non Owner Occupancy Balloon	9	783,694.69	0.64%
Mortgage Equity	1	14,682.92	0.01%
HELOC	67	1,853,854.76	1.51%
TDR/Work Out			
Mortgage Loans	24	3,204,171.18	2.61%
VISA	3,336	1,618,699.30	1.32%
TOTALS	14,133	122,839,588.17	100.00%

