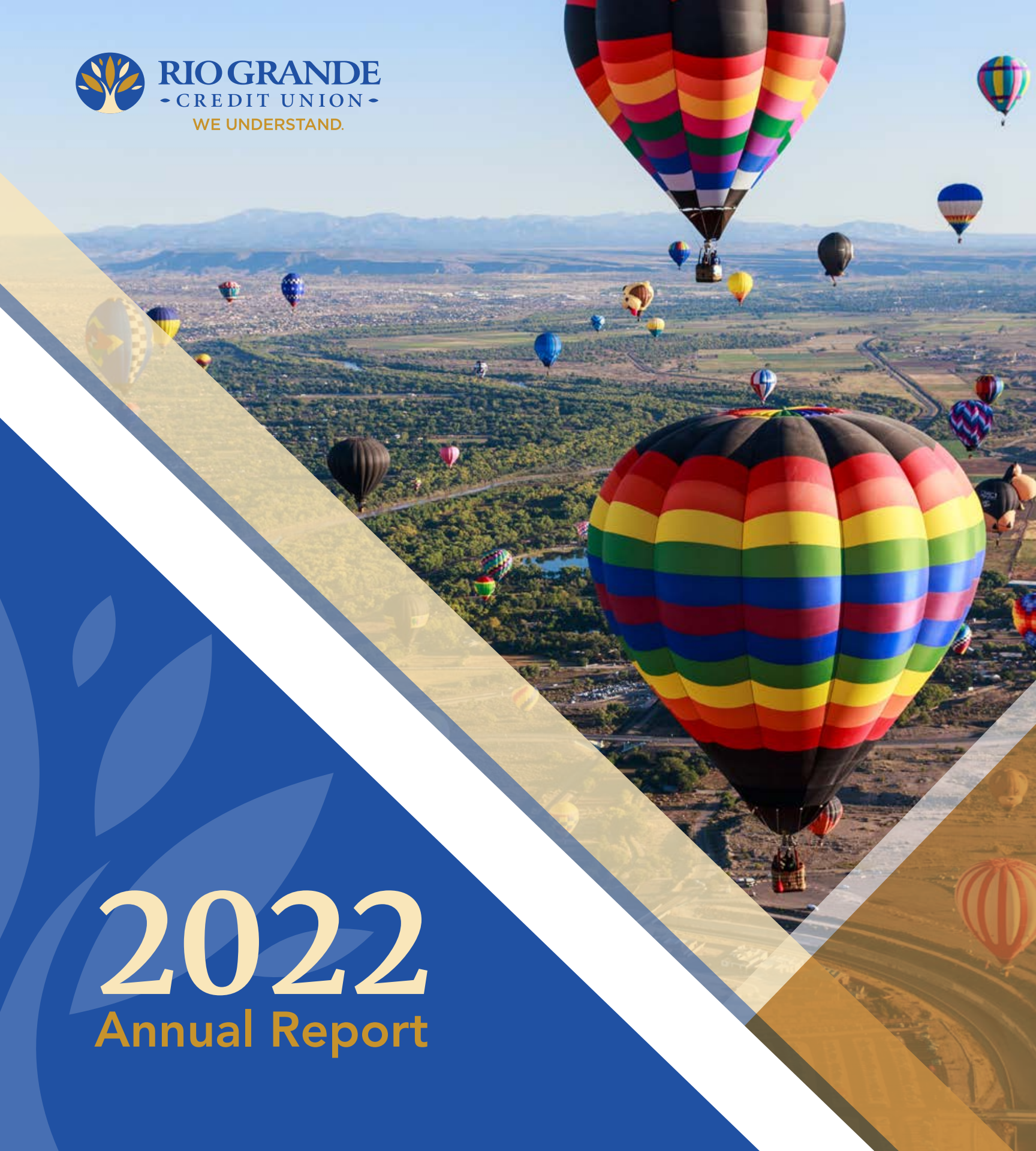




RIO GRANDE
- CREDIT UNION -
WE UNDERSTAND.

2022

Annual Report



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IN LOVING MEMORY OF



RON B. MAESTAS
1949 - 2023

*Dedicated RGCU Board Member
and Credit Union Advocate*

MISSION & VISION



Our mission is to create a trusted partnership with our members that demonstrates excellent member service by providing financial education and solutions, competitive pricing, and convenience.



We help make our members' financial dreams come true.

WHY WE DO WHAT WE DO.

There is nothing we love more than helping make our members' financial dreams come true - and it's even better when we get to hear about our impact afterwards. Check out what some of our members have to say about us. YOU are the reason we do what we do.



Wow! I have had a 22-year relationship with Rio Grande CU and it has been a great journey. In 2000, after a rough divorce, I had absolutely no knowledge of credit and why it is so important. My first loan was a whopping \$500 to buy a trumpet for my daughter and although I had tried other lenders without success, RGCU approved the loan! Several many loans and approvals later (all through RGCU) I now own my own home, a new car and have a good savings for emergencies. I definitely understand the power of good credit and how to keep it good! I will always be thankful to RGCU for my first step into financial literacy. I am looking forward to retirement in a couple years and feeling great about it!

- Kathy N.



I have been a RGCU member for more than 20 years and have encouraged many family members to join. I have taken advantage of their free financial coaching and resources. I have successfully received low-rate loans and am gaining financial independence. Their customer service is top-notch and I highly recommend them.

- Laura J.



My dad set me up with a savings account when I turned 9 when my mom passed away. I'm 28 now, met my husband and told him he needs to transfer to Rio Grande Credit Union because they don't charge crazy fees. Since then, my husband & I have gotten 3 car loans that we have paid off already, a personal loan, and a credit card. They are the best - no crazy interest and it has helped both my husband and I build our credit. Started from the bottom, now we are here thanks to Rio Grande Credit Union!

- Lachelle R.

BOARD MEMBERS



Dan Mayfield
Board Chair



Dianne M. Brown
1st Vice Chair



Ron B. Maestas
2nd Vice Chair



Lucy Sedillo
Secretary / Treasurer



Cynthia D. Borrego
Director



Mark Sanchez
Director



Irene Serna
Director



Susan Biernacki
Chair



Patty French
Member



Lisa Wilson
Member



Mike Athens
President/CEO



Roy Stange
Chief Financial Officer



Melvin Lee
Chief Information Officer



Lily Currin
Senior Vice President of Human Resources



Paige Akers
Vice President of Risk Management



April Bradshaw
Vice President of Operations



Jeff Cain
Vice President of Marketing



Erin Gomez
Vice President of Specialty Services



Tia Sabawi
Vice President of Consumer Lending

MESSAGE FROM THE BOARD CHAIR

On behalf of the entire Rio Grande Credit Union Board of Directors, I am honored to present this Annual Report to you and our entire membership as a testament to the strength of our member-owned financial cooperative.

As we embarked on 2022, your Board of Directors and RGCU management team set specific and strategic goals: improve the experience of our members, improve our financial position, build a better community, and grow membership. These goals were designed with the intent of enhancing the financial experience of our members while being a sound and strong partner for our communities.

Thanks to the loyal support of Rio Grande Credit Union members and the continued dedication of our staff, we're proud to say that 2022 was another good year for the cooperative. At the core of this achievement lies a credit union-wide commitment to making the financial well-being of members our top priority, ensuring the products, service, experience, and guidance we provide supports this objective. I am proud of what our credit union has achieved for our members, our community and I hope you are too.

At the end of 2022, the credit union finished well capitalized with \$601 million in assets and healthy growth.

Your financial needs are our most important commitment, and we take member satisfaction very seriously. One way we evaluate this is through periodic surveys of our membership. 88.9% of our members are satisfied, highly satisfied, or extremely satisfied with the service we provide and the experience they have with the credit union. 22.9% of our membership said they are more satisfied now than they were last year. 41.4% of our members referred someone for membership last year, and we now provide safe, affordable banking and lending solutions to more than 44,000 members.

We also opened our 7th branch in 2022 to provide even more accessibility to our membership. As more people in our neighborhoods discover the credit union, RGCU remains focused on each member, one at a time. Our priority is to find ways to make life better for each member and help each individual achieve their financial dreams.

On behalf of the Board of Directors, the Supervisory Committee, Senior Leadership, and staff, we are committed to continuing the path of success that has made Rio Grande Credit Union one of the most trusted credit unions in New Mexico. I am confident we will remain strong for many years to come. Thank you for the loyalty and support you have placed in RGCU as your financial institution.

Sincerely,
DAN MAYFIELD
Chair, Board of Directors

“Our priority is to find ways to make life better for each member and help each individual achieve their financial dreams.

- Dan Mayfield

MESSAGE FROM THE PRESIDENT / CEO

As we reflect on our 69th year of operation, I am humbled and proud of the good our credit union does for the families that make up RGCU. As a not-for-profit cooperative, we put people before profit. We focus on making a difference in our members' lives and in the communities where we live and work.

The goals we set forth for ourselves are not profit-driven, but member-driven. Ensuring we meet these goals demonstrates our commitment to putting our members first, and keeping your interests and needs as our top priority. With the support of our members, Board of Directors, Supervisory Committee, and staff, we made great strides in each of these areas.

GOAL #1: IMPROVE MEMBER EXPERIENCE

In May 2022, we opened our seventh branch location on Montgomery and San Mateo as we look to enhance member accessibility. This is coupled by the addition of Interactive Teller Machine (ITM) technology in our Cabezon and Lomas drive-thru areas. ITMs allow you to do just about anything you can think of doing when you come into the credit union from the comfort of your vehicle. We strengthened our organization-wide initiative to have at least one bilingual Member Service Officer who speaks Spanish in our branches. We also strengthened the information members can get in Spanish on our website. We enhanced our Debit Reward program to put more money back in our members' pockets by rewarding them where they spend most – at the gas pump and at the grocery store. Now, you can earn 4X the rewards on groceries and 5X the rewards on gas purchases. We also took steps to reduce service charges, beginning with overdrafts. We lowered overdraft charges by 60% - from \$25 to \$10, while keeping our Free Checking account free.

As a testament to member satisfaction, the credit union was recognized by *Forbes Magazine* as a New Mexico Best-in-State Credit Union. With only five New Mexico credit unions and two banks on the list, this prestigious award is presented by Forbes and Statista Inc. The ranking was based on an independent survey of approximately 26,000 US consumers who were asked to rate credit unions at which they have or previously have had checking accounts. Credit unions were ranked based on overall satisfaction, as well as several specific service-related categories. RGCU scored highest in the state in the areas of trust, terms and conditions, financial advice, and whether their members would recommend the credit union. Readers of Albuquerque the Magazine also voted Rio Grande Credit Union amongst the Top 5 Best of the City Credit Unions. Thank you to our members that made this recognition possible.

GOAL #2: IMPROVE FINANCIAL POSITION

Improving and maintaining a strong financial position will always be one of our top priorities as we look to remain safe, secure and relevant to our membership now, and into the future. Financially, 2022 was as strong as ever. We were both profitable and efficient as we ended the year with a 0.88% Return on Average Assets (ROAA) – demonstrating our success at utilizing our assets to generate income which is then returned to you in the form of lower loan rates, higher savings rates and less fees.

The goals we set forth are not profit-driven, but member-driven. Ensuring we meet these goals demonstrates our commitment to putting our members first, and keeping your interests and needs as our top priority.

- Mike Athens

Last year, total assets grew over 13%, ending the year at \$601.5 million. At 22.36% loan growth, RGCU demonstrated once again how much the community turns to us for their borrowing needs. Our share growth of 17.54% is in the top 5% of credit unions nationwide in our peer group, reflecting quality accounts that meets the needs of our membership, a solid rewards program, attractive rates on deposits, and a growing membership base.

Rio Grande Credit Union's financial performance has once again been nationally recognized. Bauer Financial awarded us with a 5-star rating, the highest available.

GOAL #3: BUILD A BETTER COMMUNITY

No matter what life brings, RGCU has always been there to help strengthen the financial lives of our members, their families, and our communities. This is why we embrace our role of building a better community by ensuring economic prosperity and financial inclusion for everyone, including addressing the systematic socioeconomic disparities and inequalities in our communities. We're honored to have made an impact on over 70 community organizations through monetary support, active volunteerism, and / or financial education. In 2022, not only did our employees log just over 1,100 volunteer hours to support the needs of community, but our Financial Coaches also dedicated approximately 100 hours to helping our members and the community succeed financially. All of this is in addition to the everyday service members receive in our branches and over the phone. We are here to educate, help you save money and make your financial life easier.

To RGCU, building a better community also includes the community within our four walls. That's why we were honored to receive a platinum level New Mexico Family Friendly Business Award once again for our family friendly work environment and policies. In addition, we examined our payroll policies and how salaries are set for positions and individuals. And at the end of the year, we provided cost-of-living adjustments to our employees. This helps ensure all staff are compensated fairly and can live comfortably in the communities we serve.

GOAL #4: GROW MEMBERSHIP

To RGCU, growing membership is elementary to creating a banking system of inclusion. Growing the number of people in our community who have access to our safe and affordable banking solutions is at the root of our mission. We ended 2022 with over 44,000 members and over \$600 million in assets, achieving a 10.54% membership growth for the year. In comparison, our peer group achieved a 4.30% membership growth.

Additionally, we grew checking account members by 11.75%, and checking account balances by 10.68%. This growth represents the number of new members who have turned to RGCU for their everyday banking needs.

I want to thank you for your membership and continued loyalty to the credit union. We know you have many choices when it comes to your finances, and we're grateful for your continued trust in us. If you know someone who is not yet benefiting from a Rio Grande Credit Union membership, I kindly ask you to invite them to join the credit union so they too can discover the benefits and rewards of being a RGCU member.

It continues to be my honor to serve you as President / CEO. I look forward to yet another year together where we will continue to deliver on our commitment to making our members' financial dreams come true.

Sincerely,

MIKE ATHENS

President / CEO

MESSAGE FROM THE SUPERVISORY COMMITTEE

Rio Grande Credit Union's volunteer Supervisory Committee oversees ongoing credit union audits to ensure that internal controls are in place and followed. The audits also ensure that accounting records and reports accurately reflect the credit union's financial position and operations, thus protecting our members' assets.

The annual external financial audit is underway with Jaramillo Accounting Group. The audit is conducted in accordance with Generally Accepted Accounting Principles (GAAP). The draft financials indicate that RGCU remains strong and financially stable.

Additionally, the Supervisory Committee prepared a 2022 Risk Assessment and Internal Audit Plan with the assistance of Carr Riggs & Ingram CPAs and Advisors (CRI), outside auditors the Committee engaged to provide internal audit services. We commissioned, reviewed, and approved the following internal audits and related matters:

BANK SECRECY ACT

- Policies and Procedures
- Identity Theft Protection
- Model Data Validation
- Monetary Instruments

ACCOUNTING & FINANCIAL REPORTING

- Liquidity Risk Management
- Liquidity Risk Board and Committee Governance
- Policies

LOAN OPERATIONS

- Policies and Procedures
- Loan Account Reconciliations
- New Loans
- Allowance for Loan Loss

LOAN COMPLIANCE

- Policies and Procedures
- Denied Loans
- Vendor Management

HR/PAYROLL

- Policies and Procedures

WIRE TRANSFERS

- Policies and Procedures

IT SECURITY AUDIT

- Policies and Procedures

ASSET LIABILITY MANAGEMENT, INTEREST RATE RISK AND LIQUIDITY RISK

This audit work is underway for the year ending 12/31/2022 and includes:

- Liquidity Risk Management
- Liquidity Risk Board and Committee Governance
- Policies

OTHER AUDITS

In addition to the above audits, the Supervisory Committee reviewed and approved the ACH Compliance Audit Report and ACH Risk Assessment prepared by ePay Advisors, a trusted financial partner providing payments related risk management and compliance services to Rio Grande Credit Union.

REGULATORY

The Supervisory Committee attended meetings with our external regulators from the New Mexico Financial Institutions Division (FID) and National Credit Union Association (NCUA) regarding the financial institution's periodic examination.

EDUCATION

The Supervisory Committee virtually attended Sexual Harassment training as well as Bank Secrecy Act training. Two members also attended the Annual Supervisory Committee training through the Credit Union Association of New Mexico, and all members attended a Commercial Lending training provided by RGCU staff.

ELECTION PROCESS/SELECTION COMMITTEE

The Supervisory Committee also acts as the Selection Committee for the election process and for any board vacancies. The Selection Committee oversaw the 2022 election process.

Sincerely,

SUSAN BIERNACKI

Supervisory Committee Chair

INCOME STATEMENT

INTEREST INCOME	2022	2021	2020
Interest on Loans	22,913,307	17,438,763	15,754,925
Interest on Investments	1,905,987	1,816,209	1,377,501
Fee Income	10,796,562	11,423,319	7,641,621
Total Income	35,615,856	30,678,291	24,774,046

OPERATING EXPENSES	2022	2021	2020
Employee Compensation/Benefits	11,545,734	9,983,232	8,813,210
Office Operations/Occupancy	9,367,946	7,766,685	6,310,499
Conference and Promotions	1,597,626	1,236,380	682,286
Provisions for Loan Losses	1,221,340	2,645,725	2,761,200
Miscellaneous	3,007,906	2,717,119	2,038,444
Total Operating Expenses	26,740,552	24,349,141	20,605,639

DIVIDEND EXPENSE	2022	2021	2020
Dividends Paid to Members	3,864,318	3,009,086	3,211,520

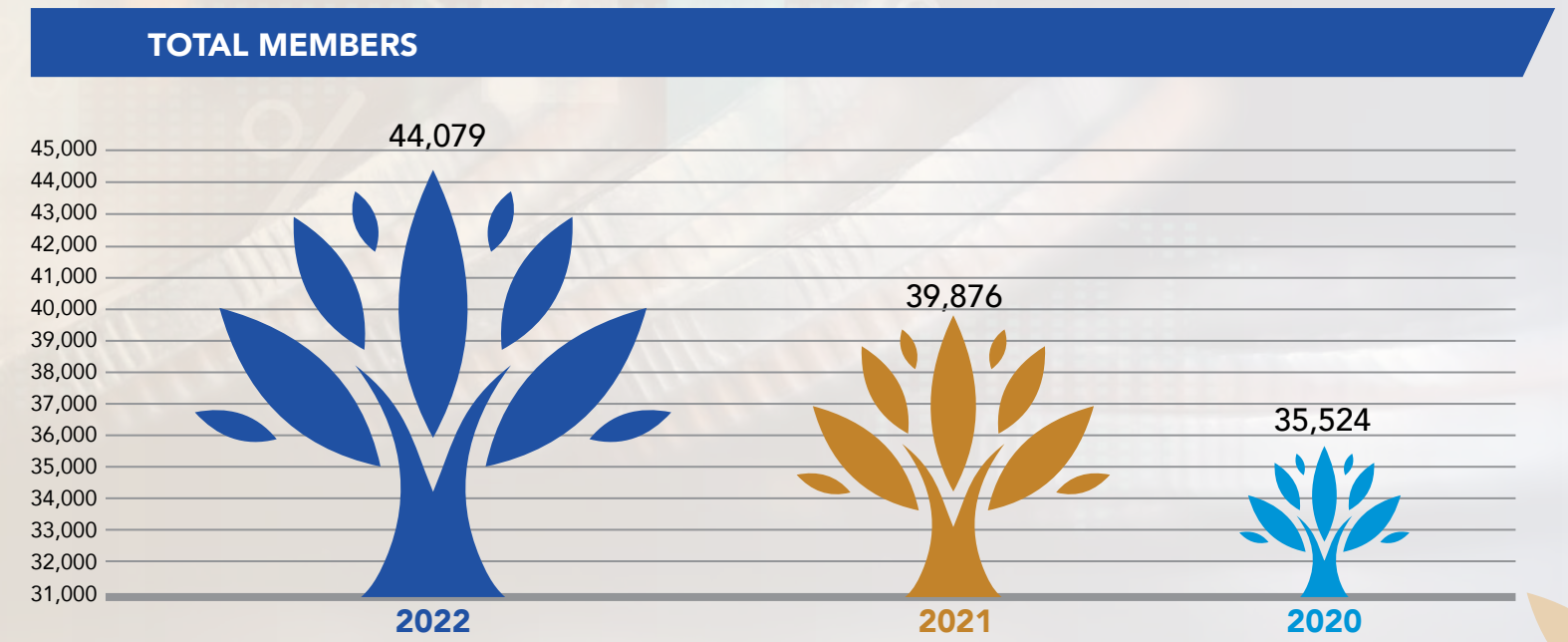
ASSESSMENT/GAIN (LOSS)	2022	2021	2020
Gain (Loss) on Investments/ Disposition of Assets	0	111,398	(20,423)

NET INCOME	2022	2021	2020
Reserves and Undivided Earnings	4,993,537	3,431,462	936,465

BALANCE SHEET

ASSETS	2022	2021	2020
Loans to Members - Net of Allowance for Loan Losses	444,724,392	361,658,200	257,889,057
Cash	6,226,436	4,917,825	2,949,150
Investments	120,324,563	137,524,566	152,993,671
Accrued Interest Receivable	4,641,421	3,877,962	3,649,638
Fixed Assets	19,468,990	18,492,259	18,798,365
NCUSIF Deposit	4,228,264	3,872,879	3,163,562
Other Assets	1,768,219	697,049	997,338
Total Assets	601,382,285	531,040,740	440,440,782

LIABILITY AND EQUITY	2022	2021	2020
Member Shares	524,945,884	446,617,771	380,995,655
Accrued and Other Liabilities	25,123,430	26,712,851	2,300,340
Reserves and Undivided Earnings	51,312,971	57,710,118	57,144,787
Total Liabilities & Equity	601,382,285	531,040,740	440,440,782



COMMUNITY IMPACT REPORT

“ Our long-term partnership with RGCU has enabled us to continue our outreach to disabled men and women veterans by providing them with essentials many of us take for granted – such as socks, underwear, and toiletries. Their support also helps us provide financial and claims assistance to veterans and their families. On behalf of all of us at DAV, thank you Rio Grande Credit Union for your help and support of our veterans.

DAVID ALDERETE, ADJUTANT

Our mission includes a commitment to promoting strong and vibrant communities. While we accomplish this mission by donating funds to worthwhile organizations and initiatives, we're more than just a check. In fact, we strive to support our community using a three-pronged approach: financial contribution, active volunteerism and financial empowerment education. The following year-end summary highlights many of the initiatives your credit union participated in:



EMPLOYEES GIVING BACK

Our team members aren't scared to roll up their sleeves and get to work.

In 2022, RGCU employees volunteered **1,100 volunteer** hours to support the needs of our community! The hours helped support **30 non-profit community organizations**.



FINANCIAL EMPOWERMENT EDUCATION

- Provided **48 hours** of one-on-one financial coaching sessions
- Conducted **62 partner workshops / classes** for our non-profit partners and Select Employer Groups like St. Tim's, Prosperity Works, and Saranam just to name a few
- Hosted **5 member workshops / webinars**

“ Rio Grande Credit Union is an invaluable partner to Tree New Mexico in so many ways – from their staff's active volunteerism in many of our community plantings, to their generous monetary support to increase the tree canopy in traditionally underserved areas and everything in-between. In 2022, RGCU's support helped Tree New Mexico increase the tree canopy in Albuquerque by over 2,300 trees and educating almost one thousand volunteers on tree planting and basic care to increase survivability. Working with RGCU is a joy in every way.

SHANNON HORST, TREE NEW MEXICO EXECUTIVE DIRECTOR



SUPPORT AREAS OF FOCUS

Education, Health & Welfare, Environment & Sustainability, Community & Culture

EDUCATION

- APS Education Foundation
- Del Norte High School
- Girl Scouts of New Mexico Trails
- Albuquerque Public Schools Mckinney Vento Program
- New Mexico Technology Council
- Albuquerque Public Schools Administrators Conference for Educators

HEALTH & WELFARE

- Albuquerque Police Department- Gerald Cline Substation
- Autism Society of New Mexico
- Carrie Tingley Hospital Foundation
- Cuidando Los Niños
- Disabled American Veterans
- Domestic Violence Resource Center (DVRC) New Mexico
- Encuentro
- Lobo Food Pantry
- San Pedro Mile-Hi Farmers' Market
- TenderLove Community Center
- UNM Lobo Cancer Challenge
- UNM Lobo Food Pantry
- Women's Housing Coalition

ENVIRONMENT & SUSTAINABILITY

- Albuquerque Community Foundation – Wildfire Relief
- Friends of Valle de Oro
- Tree New Mexico

COMMUNITY & CULTURE

- Albuquerque Firefighter Retiree Association
- Albuquerque Pride Fest Parade
- Big Brothers Big Sisters of Central New Mexico
- Bernalillo County Firefighters
- South Valley Community Pride Parade
- San Pedro Main Street Revitalization

“ Working with the Rio Grande Credit Union has been a blessing for the Domestic Violence Resource Center. In 2022, their employees chose DVRC as the recipient of the funds generated by their annual golf tournament. Funds from the golf tournament have helped DVRC to assist victims of domestic violence through case management and advocacy services. RGCU has also helped our victims make headway in their journey of leaving their abusers and breaking the cycle of domestic violence through a collaborative survivor loan program. Thank you, Rio Grande Credit Union!

KRISTIN MIDDLETON, DVRC EXECUTIVE DIRECTOR



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