



RIO GRANDE
- CREDIT UNION -

WE UNDERSTAND

People
helping
people.

RGCU ANNUAL REPORT 2021



We understand...
your dream to be the boss.

Board Members



Mark Sanchez
Board Chair



Dan Mayfield
First Vice Chair



Dianne M. Brown
Second Vice Chair



Ron B. Maestas
Secretary/Treasurer



Cynthia Borrego
Director



Lucy Sedillo
Director



Irene Serna
Director

Supervisory Committee



Patricia French
Chair



Susan Biernacki
Member



Lisa Wilson
Member

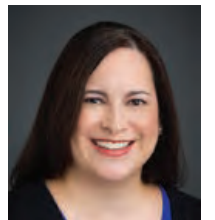
Leadership



Mike Athens
President/CEO



Roy Stange
Chief Financial Officer



Paige Akers
VP - Risk Management



April Bradshaw
VP - Operations



Jeff Cain
VP - Marketing



Lily Currin
VP - Human Resources



Erin Gomez
VP - Specialty Services



Tia Sabawi
VP - Lending



We understand...
your dream to feel financially secure.

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We understand...
your dream of home ownership.

MESSAGE FROM THE BOARD CHAIR

For 68 years, “people over profits” has been one of the principles under which Rio Grande Credit Union has operated. This is the basis for decisions that the Board of Directors makes on behalf of our member-owners, especially during difficult times like we’ve experienced the past two years.

I am pleased to report that we have been able to ensure prudent oversight, while exercising our due diligence in monitoring all areas of RGCU’s business. When the pandemic started, the Board of Directors made a promise that we would get through this together and we’ve done a good job of it. Your Directors have continued their education development through online Credit Union courses, webinars and conferences to develop individually in areas that strengthen our Board as a whole. And we thank our staff for their efforts and adaptability as the pandemic changed how we do business.

We are happy to report that Rio Grande Credit Union finished 2021 well capitalized with over \$531 million in assets and healthy growth.

The Board of Directors remains committed to keeping the assets of our members and the Credit Union safe and secure. In addition, our priority is to ensure the Credit Union continues to provide superior service to our members while maintaining the health and safety of everyone. Our hope is that you continue to find value in Rio Grande Credit Union and look to us to serve all your financial needs.

On behalf of the entire Board of Directors and Supervisory Committee, I thank each of you for your continued membership during these trying times. Please continue to share the benefits of Credit Union membership with your family, friends, and neighbors.

Sincerely,

MARK SANCHEZ

Chair, Board of Directors

“Our hope is that you continue to find value in Rio Grande Credit Union and look to us to serve all your financial needs.”

– MARK SANCHEZ

MESSAGE FROM THE PRESIDENT/CEO

“People helping people” is the heart of the credit union movement. It’s also what inspires Rio Grande Credit Union to look beyond today and plan for the future. Though last year was the second year of a worldwide pandemic, 2021 was a year defined by growth and possibilities.

We began the year setting forth to accomplish the goals of year two of our Strategic Plan, focusing on four main goals that ultimately lead to enhancing the member experience, improving our financial position, helping build a better community, and creating opportunities for future growth. With the support of our members, Board of Directors, Supervisory Committee, and staff, we made great strides in each of those areas.

GOAL 1: IMPROVE THE MEMBER EXPERIENCE

As a not-for-profit financial cooperative, we work to put our members at the core of every decision we make. This past year, we invested in new technologies in our drive-up lanes, Interactive Teller Machines (ITMs), to give members more transactional options. We enhanced our reward program to offer our members faster ways to accumulate points and more ways to redeem them. We made significant upgrades to our mobile application, including adding a person-to-person feature and the ability for members to monitor their FICO score on a quarterly basis. We began a renewed emphasis on infrastructure, started a branch facelift project, and continued work to update legacy software systems, giving our employees easier ways to serve our members better. The credit union launched Online Lending, Account Opening and Online Mortgage Applications to offer members a more convenient way to do business with RGCU. And we rolled out Apple Pay, Samsung Pay and Google Pay to offer members more convenient ways to pay for everyday things while still earning rewards.

In today’s advancing world, these technology and infrastructure changes are quickly becoming ‘foundational’ improvements and pave the way for future innovations, as we plan to evolve our in-branch and member support capabilities – all of which lead to a constantly improving and evolving member banking experience.

GOAL 2: IMPROVE OUR FINANCIAL POSITION

Last year, total assets grew over \$90 million, or 20.57%, bringing RGCU’s total assets to \$531 million.

At 40.43% loan growth, Rio Grande is in the top 10% of its peer group, as more members are choosing the credit union for their lending needs.

Rio Grande also enjoyed above average share growth relative to its peer group. Our growth of 17.22% reflects 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 continues to be nationally recognized. Bauer Financial again awarded us with a 5-star rating, the highest available. Weiss Rating Service, an independent firm that provides non-biased reports on the health and safety of financial organizations, cites RGCU has excellent current capitalization (10.0 on a scale of 0 to 10) based on a net worth to total assets of 11.2%,

compared to our peer group at 10.15%. We are proud to be a strong financial institution supporting our members' needs while keeping the credit union safe.

GOAL 3: HELPING BUILD A BETTER COMMUNITY

We continued to see an increased need for financial education resources in 2021. By providing educational offerings through one-on-one financial coaching sessions, webinars, gamified educational resources through the Zogo app and blog articles, Rio Grande was able to provide meaningful resources and a more tailored approach to thousands of members looking to better their financial position.

In 2021, our one-on-one financial coaching program benefited over 450 members. Furthermore, RGPU delivered financial education curriculum to a variety of community organizations and Select Employee Groups. We also conducted online webinars on a variety of topics throughout the year. Through this personalized approach to educational offerings and service, we estimate we helped more than 4,000 RGPU members and community members improve their financial situation.

However, our commitment to improving lives and making dreams come true doesn't stop there. In 2021, Rio Grande supported many local organizations and initiatives through our community support program - which seeks to go beyond providing a check through the integration of active volunteerism, and when possible, provide financial education resources. I am pleased to say our employees volunteered more than 500 hours in 2021, further demonstrating our commitment to the communities we serve.

GOAL 4: CREATE OPPORTUNITIES FOR FUTURE GROWTH

RGPU finished the year with 39,876 members, a 12.25% increase over 2020. Our peer group recognized 3.81% growth, putting Rio Grande in the top 10% for member growth.

When surveyed, 88.9% of our members are satisfied, highly satisfied, or extremely satisfied with RGPU. Readers of Albuquerque the Magazine voted Rio Grande Credit Union Best of the City. And RGPU received a platinum level New Mexico Family Friendly Business Award for its family friendly work environment and policies.



A membership that likes doing business with the credit union, coupled with an engaged and respected staff, are the foundation for future growth. RGPU is dedicated to continuing to improve processes to make it easier for our community to do business with us.

I thank our members for their 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. I thank our employees for their resiliency and determination to serve our members, despite the challenges the past two years have presented. And I thank our volunteer Board of Directors and Supervisory Committee for their guidance and dedication to this organization. It continues to be my honor to serve as your President/CEO. I look forward to yet another year together where we will continue to deliver on our commitment of making our member's financial dreams come true.

Sincerely,

MIKE ATHENS

President/CEO



We understand...

money doesn't come with instructions.

ANNUAL *Report* 2021

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 Supervisory Committee reviewed the December 31, 2021 annual external audit with Jaramillo Accounting Group, the independent firm conducting the audit. Rio Grande Credit Union received an "unqualified" opinion, the highest opinion possible. There were no material findings or weaknesses found during the audit. The results of the audit were favorable and determined Rio Grande Credit Union to be safe and sound in policy and practice. The audit, conducted in accordance with Generally Accepted Accounting Principles (GAAP), indicated that RGCU remains strong and financially stable.

Additionally, the Supervisory Committee prepared a 2021 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

Deposit Compliance

- Regulation D
- Employee Training
- Regulations CC
- Regulation E

Wire Transfers

- Policies and Procedures

continued on pg 13



RIO GRANDE
- CREDIT UNION -
WE UNDERSTAND



But mostly,
we understand...

the importance of having someone in
your corner.. and that's why we're here.

continued from pg11

Loan Compliance

- Policies and Procedures
- Denied Loans
- Vendor Management

Loan Operations

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

Asset Liability Management, Interest Rate Risk, Liquidity Risk and Investments

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

Branch Operations

- Reconciliations
- New Deposit Accounts
- Safe Deposit Boxes
- Night Deposits
- Official Checks
- File Maintenance
- Stop Payments

Cash

- Cash Counts of all Teller Drawers
- Reconciliations

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.

EDUCATION

The Supervisory Committee virtually attended Sexual Harassment training as well as Bank Secrecy Act training.

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 2021 election process.

Sincerely,

PATTY FRENCH

Supervisory Committee Chair



RGCU 2021 *financials*

INCOME STATEMENT

INTEREST INCOME	2021	2020	2019
Interest on Loans	17,438,763	15,754,925	16,080,734
Interest on Investments	1,816,209	1,377,501	1,331,907
Fee Income	11,423,319	7,641,621	7,499,758
Total Income	30,678,291	24,774,046	24,862,399

OPERATING EXPENSES

Employee Compensation/Benefits	9,983,232	8,813,210	7,427,482
Office Operations/Occupancy	7,766,685	6,310,499	4,877,356
Conference and Promotions	1,236,380	682,286	860,225
Provisions for Loan Losses	2,645,725	2,761,200	2,705,500
Miscellaneous	2,717,119	2,038,444	2,024,494
Total Operating Expenses	24,349,141	20,605,639	17,895,057

DIVIDEND EXPENSE

Dividends Paid to Members	3,009,086	3,211,520	2,475,597
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ASSESSMENT/GAIN (LOSS)

Gain (Loss) on Investments/ Disposition of Assets	111,398	(20,423)	(45,490)
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NET INCOME

Reserves and Undivided Earnings	3,431,462	936,465	4,446,256
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RGCU 2021 *financials*

BALANCE SHEET

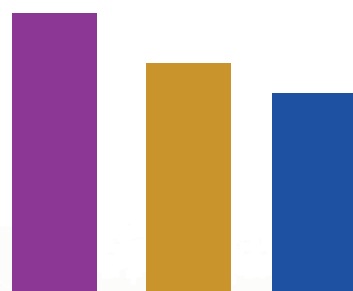
ASSETS	2021	2020	2019
Loans to Members - Net of Allowance for Loan Losses	361,658,200	257,889,057	256,652,738
Cash	4,917,825	2,949,150	2,476,864
Investments	137,524,566	152,993,671	68,645,682
Accrued Interest Receivable	3,877,962	3,649,638	1,015,553
Fixed Assets	18,492,259	18,798,365	12,210,383
NCUSIF Deposit	3,872,879	3,163,562	2,632,227
Other Assets	697,049	997,338	1,148,388
Total Assets	531,040,740	440,440,782	344,781,835
LIABILITY AND EQUITY			
Member Shares	446,617,771	380,995,655	287,507,628
Accrued and Other Liabilities	26,712,851	2,300,340	1,793,309
Reserves and Undivided Earnings	57,710,118	57,144,787	55,480,898
Total Liabilities & Equity	531,040,740	440,440,782	344,781,835

TOTAL MEMBERS

39,876 in 2021

35,524 in 2020

34,601 in 2019



2021

2020

2019

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.



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