

## Chairman's Report Continued

During 2014, we upgraded our internet connection and replaced the core hardware entirely with new equipment.

The Board and staff will continue to work to maintain the strength and vitality of this credit union.

I would like to thank my colleagues on the Board for their continued help and support as well as the credit union staff and management, our committed volunteers and most of all, our loyal members.

Looking forward to a great 2015 !

Sincerely,

*Al Putzig*

Chairman of the Board

### Branches

#### Cherry Hills Branch

8111 Harper Rd NE  
Albuquerque, NM 87111

#### Coors Office

6100 Coors Blvd. NW, Suite J  
Albuquerque, NM 87120

#### Farmington Branch

111 S. Miller  
Farmington, NM 87401

Website — [www.sfcunm.org](http://www.sfcunm.org)

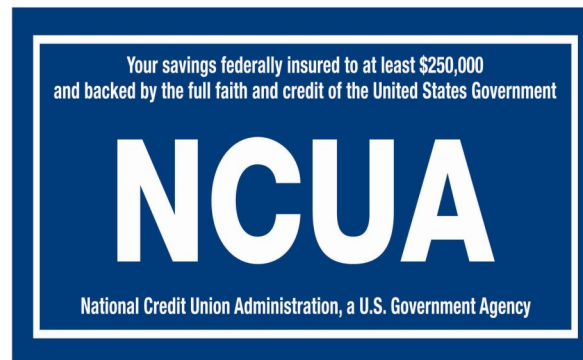
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# 2014

## Annual Report

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## Celebrating 80 Years of Service

## 1935~2015



Your Best Interest is our Business®

# Chairman's Report

Dear Fellow Members,

The Board is pleased to report that 2014 was another profitable year for Southwest Federal Credit Union. Low interest rates continue to challenge our ability to return to normal profit and growth. Yet in spite of this, we grew our loans a net amount of \$2,835,578.00, a growth rate higher than our peer group. We continue our profitability in 2015 with a YTD net income of \$22,651.23. Our past due loan ratio is 1/3 of our peer group. Keeping your credit union independent and financially stable remains our number one priority.

This year is our 80 year celebration. We were founded in 1935 by 10 individuals from what is now NM Gas & PNM. We are proud both companies remain with us to this day.

We continue our refer-a-member program where we pay cash to our members who bring in a new member and we offer a free credit review to assist members in improving their credit scores.

The credit union continues to staff three full-service branches including a full-time loan officer at each location to offer a quick turnaround on our loan applications. Many members do not know that we offer in-house low-rate credit cards, first mortgages and HELOC loans.

## Statement of Financial Condition

December 31, 2013 and 2014

ASSETS	2013	2014
Cash	2,936,925	1,059,988
Investments	19,147,620	20,479,514
Net Loans	26,715,371	29,847,278
Accrued Interest	117,543	150,421
Property & Equipment	2,542,021	2,482,112
NCUSIF	480,231	496,338
Other Assets	629,078	511,651
<b>TOTAL ASSETS</b>	<b>\$52,568,789</b>	<b>\$55,027,302</b>
<b>LIABILITIES AND MEMBER EQUITY</b>		
<u>LIABILITIES</u>		
Shares	47,687,617	49,936,900
Accrued-Expenses	385,365	361,726
<b>TOTAL LIABILITIES</b>	<b>\$48,072,982</b>	<b>\$50,298,626</b>
<u>MEMBER'S EQUITY</u>		
Reserves	953,124	953,124
Undivided Earnings	3,711,827	3,901,037
Unrealized Gains (Losses)	(169,144)	(125,485)
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$52,568,789</b>	<b>\$55,027,302</b>

## Statement of Income & Expense

December 31, 2013 and 2014

INTEREST INCOME	2013	2014
Loan Income	1,634,648	1,720,511
Investment Income	235,812	287,814
<b>TOTAL INTEREST INCOME</b>	<b>\$1,870,460</b>	<b>\$2,008,325</b>
<b>INTEREST EXPENSE</b>		
Interest on Borrowings	\$ 0	\$1,417
Dividends on Shares	151,894	149,188
<b>NET INTEREST INCOME</b>	<b>\$1,718,566</b>	<b>\$1,857,720</b>
Provision for Loan & Lease Losses	(178,694)	(46,757)
<b>TOTAL NON-INTEREST INCOME</b>		
Service Charges & Other Fees	354,921	284,060
Other Income	373,157	393,092
<b>TOTAL NON-INTEREST INCOME</b>	<b>\$728,078</b>	<b>\$677,152</b>
<b>GENERAL &amp; ADMIN. EXPENSES</b>		
Salaries & Benefits	1,134,960	1,142,131
Operations Expense	1,347,961	1,254,978
<b>TOTAL NON-INTEREST EXPENSES</b>	<b>2,482,921</b>	<b>\$2,397,109</b>
<b>NET INCOME</b>	<b>\$142,417</b>	<b>\$184,520</b>