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# Moving Forward

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**Santa Fe**  
FEDERAL CREDIT UNION

*Keeping you on track*

**2020 Annual Report**

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## A Message to Our Members

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It is my pleasure to present the 2020 report to the membership of Santa Fe Federal Credit Union. 2020 presented the world with new and unique challenges not seen for over a hundred years. We experienced a Pandemic that resulted in the shutdown of the economy around the world. Through the efforts of the membership, staff, and Board leadership, Santa Fe FCU finished the year in a position of strength and security. The theme for this year's annual meeting is "Moving Forward". As we begin to find a new normal for our day to day lives, we may begin to adopt more fully some of the changes that occurred during 2020. I would also like to take this time to remember Mary Ann Molinas, a member of the Santa Fe FCU staff who passed away due to COVID-19. Mary Ann was a part of our family and she was a lifelong credit union employee. Mary Ann came to Santa Fe FCU from Everyone's CU in Tucumcari, NM. She started at Santa Fe FCU as a teller and finished working as a First Impression Person at the Hillside branch. As we look back on 2020, it was filled with challenges and loss, but we have persevered and are prepared to begin "Moving Forward."

The year 2020 started with the credit union posting negative net income due to a surge in delinquency and charge-offs. As part of a strategic move, the Executive Team and Board of Directors agreed to realize certain loan losses in December of 2019 and to fund the credit union's Provision for Loan Losses account. The purpose of this event was to prepare the credit union to move forward into 2020 with less financial burden on the income statement. This turned out to be very significant. With the excessive funding of the Provision account at the end of 2019, it allowed the credit union to be financially prepared for the upcoming Pandemic. Looking back on all the changes and service now offered by the credit union it allowed us to be more prepared for the challenges of the COVID-19 Pandemic. The credit union's advancements in technology allowed for members to have more access to the credit union than ever before. It allowed us to comply with local and state governance while still providing most, if not all, of the credit union's services.

I would also like to say thank you to the membership of Santa Fe FCU. Thank you for your patience and understanding as we all worked together to make 2020 a financially successful year. The membership of Santa Fe FCU was essential to our success. "Moving Forward" out of 2020 we look forward to a continued focus on the success of the credit union and a strong 2021. Although the credit union experienced various levels of lock downs, we saw Total Assets grow from \$135,965,592 to \$148,387,019 or 9.1%, loans grew from \$87,811,568 to \$91,108,109 or 3.8%, deposits grew from \$117,188,434 to \$128,230,188. The credit union also had a decline in delinquency from \$610,834 to \$590,693 a reduction of 3.4%. The credit union's financial success is a direct tribute to the membership of Santa Fe FCU.

"Moving Forward" into 2021, we begin the year with a new administration in the White House and an uncertain outlook on what to expect. The Credit Union National Association's February 8, 2021 economic forecast for credit unions expects the economy to grow at 3.5%, CPI inflation to rise 2.1%, the unemployment rate is expected to fall to 5.5% by the end of 2021, and all this depends on the continued fall in COVID-19 cases. With the increase in vaccinations, the economist assumes the country will approach herd immunity. The Fed Funds rate will remain relatively unchanged for 2021, while the 10-Year Treasury Rate is expected to rise slowly. The economist believe that the significant government stimulus will put upward pressure on inflation with the Consumer Price Index rising to 2.1% in 2021. With the government stimulus money, many credit unions, including Santa Fe FCU, have seen significant increases in deposits. The increase in deposits will also put a stress on the credit union's earnings in 2021.

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## A Message to Our Members

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Santa Fe FCU will continue to strive to provide outstanding service and products to our members. We will work to improve on the products and services that we added or changed during the Pandemic. The plan for 2021 is to continue moving forward on the implementation and improvement of the credit union's technology.

In the 10 years that I have served the membership at Santa Fe FCU, we have come out of the worst financial downturn since the Great Depression and the worst Global Pandemic since the Spanish Flu of 1918. Yet through it all, Santa Fe FCU remains strong, healthy, and prepared to continue "Moving Forward." Never has a mission statement "Building lifelong relationships one member at a time" been truer. Thank you for your continued loyalty and support for your credit union. We gratefully recognize our Board of Directors, Supervisory Committee and Staff for their continued commitment to serve the members of Santa Fe FCU. May God bless you and your families in 2021.

“ Yet through it all, Santa Fe FCU remains strong, healthy, and prepared to continue “Moving Forward”.”



**Steven Adee**  
CEO

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# Supervisory Committee Report

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Santa Fe FCU's volunteer Supervisory Committee is appointed annually by the Chairman of the Board of Directors and confirmed by the entire board. The Supervisory Committee is responsible for the oversight of credit union operations, to ensure compliance with all applicable regulations, and to ensure that all records are maintained accurately. Acting on behalf of the membership, the Supervisory Committee is an entity required by the Federal Credit Union Act.

The committee meets throughout the year to perform duties which include periodic member account verifications, teller cash counts, and general oversight of the credit union operations.

The committee fulfilled their responsibility by contracting with WayPoint, a local auditing firm, to perform the annual audit. The committee receives a monthly financial report at the regularly scheduled board meetings and all members of the committee are invited and encouraged to attend the meetings.

The National Credit Union Administration conducted its last complete federal examination in August 2019. The independent audit team from Waypoint completed their annual review and audit in August 2020 and reported exemplary results. We believe the financial statements contained within this booklet accurately reflect Santa Fe FCU's excellent financial condition, proper internal controls, and a continued expectation for successful operations.

To effectively serve as your representative, we must be kept aware of your concerns. This can be done by formally writing the Supervisory Committee at the address listed below or by personally contacting any member of the committee listed within this report.

Supervisory Committee  
P.O. Box 2672  
Amarillo, Texas, 79105-2672

Santa Fe FCU continues to grow and prosper as a direct result of our members having the confidence in the services we provide. Such member confidence is achieved through effective planning and implementation of sound business policies. The members of your Supervisory Committee pledge their continued efforts to ensure your credit union remains an organization of quality and integrity.

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# Waypoint Advisory Services

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To the Members of Santa Fe Federal Credit Union:

Your Supervisory Committee meets on a regular basis to oversee the credit union's audit function. Its mission is to ensure accurate and fair presentation of the credit union's financial condition. To accomplish its oversight and fiduciary responsibilities, the Supervisory Committee is assisted by the staff at Waypoint Advisory Services, Inc. Waypoint, an Amarillo based credit union auditing and consulting firm, conducts an annual examination of your credit union's assets, liabilities, and equity using auditing standards established and acceptable to regulators for the purpose of testing the fairness of the presented balance sheet. National Credit Union Administration (NCUA) Rules and Regulations set forth audit requirements and standards for credit unions, which are linked to asset size and audit type. In order to qualify to perform such testing, a compensated auditor must be independent of the credit union's employees, board of directors, supervisory and credit committees and/or the credit union's loan officers, and members of their immediate families.

Our review, effective August 31, 2020, has been delivered to the Santa Fe FCU Supervisory Committee, who is appointed by the board of directors to oversee this review process. We examined, on their behalf, supporting documentation and sub-ledgers, including confirmation information with independent third parties where applicable.

The financials provided accurately reflect any and all adjusting entries and final account balances.

Waypoint Advisory Services, Inc., services over 100 credit unions in the Texas Panhandle and beyond. It is our pleasure to serve the members of Santa Fe Federal Credit Union.

Senior Accounting Officer,



Barrett T. Lynch  
CFO / Co-owner



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## Treasurer's Report

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As your Treasurer, I am proud to report information pertaining to the financial performance of our credit union during the past year.

### Assets and Capital

Santa Fe FCU's Total Assets represented \$148.3 million at year-end 2020. Reserves and Undivided Earnings are at \$18.1 million representing a solid net worth ratio of 12.2%.

### Member Loans

The credit union overall loan portfolio increased by \$3,296,541 in member loans during 2020. The credit union's outstanding loan portfolio represented \$91,108,109 at year-end 2020.

### Member Deposits

Member share balances at year-end were \$128.2 million.

### Operating Expenses

Operating expenses for the year of 2020 represented \$5,149,991. The credit union Net Operating Expense ratio was 2.42%. The NCUA guideline for Net Operating Expense is 3% or less. Paying dividend rates double our peer average in 2020 led to an increase in operating expenses.

The overall financial condition of Santa Fe FCU is sound and secure. Descriptive financial statements and statistics have been prepared and provided within this annual report of operations.

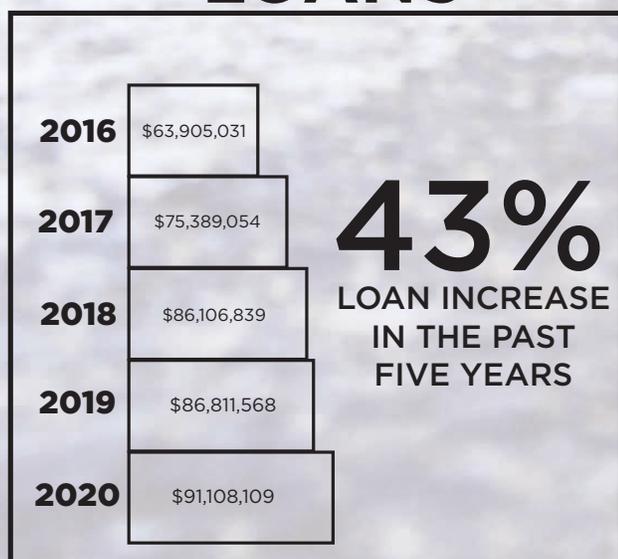
We appreciate your membership and encourage you and all family members to fully use the services of your credit union!

**Anna M. Thoreson**  
Treasurer

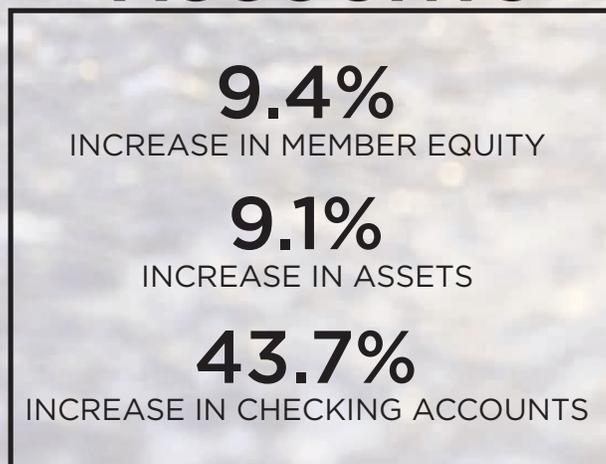
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## 2020 Stats

### LOANS



### ACCOUNTS



## Services

### ACCOUNTS

Savings Accounts  
Conductor's Club Accounts  
Checking Accounts  
Student Checking Accounts  
IRAs  
Certificates of Deposit  
Coverdell IRA

### ELECTRONIC SERVICES

Online Banking  
Mobile App  
Mobile App Check Deposit  
Bill Pay  
Online Loan Application  
E-Statements  
Electronic Signatures

### LOANS

Cars  
Trucks  
Motorcycles  
Classic Cars  
ATVs  
Boats  
Jet Skis  
Vacation  
Wedding  
Debt Consolidation  
Mortgages  
Signature Loan  
Credit Cards  
Easy Money Line of Credit  
RV/Motorhome  
Texas HELOC  
Cash 4 You Payday Loan

### OTHER SERVICES

Safe Deposit Boxes  
Notary Services  
Courtesy Pay  
Money Orders  
Payroll Deduction  
Wire Transfers  
Gift Cards  
Cashier's Checks  
Mechanical Repair Coverage  
Cash Advance  
Credit Life Insurance  
GAP  
TruStage - Life and Auto  
Hospital Insurance  
AD&D Insurance  
Medical Supplement  
Credit Disability Insurance

### → **TRANSFER TO AND FROM OTHER BANKS**

*Simply tap 'I Want to...' in Bill Pay to get started!*

### → **ATMS NATIONWIDE**

*Visit [www.santafefcu.com/atm](http://www.santafefcu.com/atm) for a list of ATMs!*

### → **AUTO LOANS**

*Take advantage of our great auto loan rates and special financing! Visit [www.santafefcu.com/loans](http://www.santafefcu.com/loans) for details!*

# Financial Report

## STATEMENT OF FINANCIAL CONDITION

	December 2020		December 2019	
<b>ASSETS</b>				
Loans to Members	\$	91,108,109.16	\$	87,811,568.02
Allowance for Loan Loss	\$	(1,374,262.49)	\$	(1,337,273.30)
Receivables	\$	(57,326.95)	\$	26,054.85
Cash	\$	26,185,615.73	\$	16,444,673.42
Investments	\$	24,034,936.59	\$	24,244,903.93
Prepaid Expenses & Deferred Charges	\$	162,252.76	\$	247,330.50
Fixed Assets	\$	6,853,017.90	\$	7,081,288.64
Accrued Income	\$	314,592.99	\$	343,392.53
Deposit in NCUSIF	\$	1,160,083.02	\$	1,103,653.55
Other Assets	\$	-	\$	-
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>148,387,018.71</b>	<b>\$</b>	<b>135,965,592.14</b>
<b>LIABILITIES &amp; EQUITY</b>				
Accounts Payable	\$	1,001,378.92	\$	626,652.12
Notes Payable	\$	-	\$	-
Dividends Payable	\$	0.56	\$	1.03
Taxes Payable	\$	10,748.36	\$	319.99
Accrued Expenses	\$	453,801.19	\$	15,696.68
Other Liabilities	\$	507,948.42	\$	581,523.19
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>1,973,877.45</b>	<b>\$</b>	<b>1,224,193.01</b>
<b>MEMBER EQUITY</b>				
Regular Shares	\$	55,597,413.60	\$	46,555,251.58
Share Drafts	\$	11,929,881.00	\$	8,298,819.99
I.R.A.'s	\$	16,384,198.99	\$	16,326,657.40
Certificates	\$	44,318,623.99	\$	46,007,714.93
Other Deposits	\$	-	\$	-
<b>TOTAL MEMBER EQUITY</b>	<b>\$</b>	<b>128,230,117.58</b>	<b>\$</b>	<b>117,188,443.90</b>
<b>RESERVES AND UNDIVIDED EARNINGS</b>				
Regular & Legal Reserves	\$	1,792,878.08	\$	1,792,878.08
Other Reserves	\$	-	\$	-
Undivided Earnings	\$	15,805,932.46	\$	16,719,997.53
Current Period Net Income	\$	584,231.14	\$	(959,920.38)
<b>TOTAL CAPITAL</b>	<b>\$</b>	<b>18,183,023.68</b>	<b>\$</b>	<b>17,552,955.23</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$</b>	<b>148,387,018.71</b>	<b>\$</b>	<b>135,965,592.14</b>

# Financial Report

## STATEMENT OF INCOME AND EXPENSES

December 2020

December 2019

### INCOME:

Income From Loans	\$	4,748,117.44	\$	5,193,250.19
Investment Income	\$	409,910.42	\$	886,681.78
Fees & Charges	\$	537,411.67	\$	618,887.21
Miscellaneous Income	\$	1,180,200.29	\$	916,749.09
<b>Total Income</b>	\$	<b>6,875,639.82</b>	\$	<b>7,615,568.27</b>

### COST OF FUNDS:

Dividends on Accounts	\$	1,151,627.22	\$	1,685,440.34
Cost of Borrowed Money	\$	7.83	\$	8,342.06
<b>Total Cost of Funds</b>	\$	<b>1,151,635.05</b>	\$	<b>1,693,782.40</b>

### EXPENSES:

Employee Compensation	\$	1,978,559.96	\$	1,939,084.98
Employee Benefits	\$	499,553.56	\$	541,959.83
Travel and Conferences	\$	5,669.56	\$	31,701.30
Association Dues	\$	26,608.78	\$	25,729.63
Office Occupancy	\$	460,038.32	\$	450,882.94
Office Operations	\$	964,947.03	\$	888,849.66
Educational & Promotional	\$	80,035.52	\$	106,217.16
Loan Servicing	\$	82,272.51	\$	130,248.63
Professional & Outside Services	\$	318,204.97	\$	213,227.24
Provision for Loan Losses	\$	666,199.41	\$	2,486,262.89
Member Insurances	\$	-	\$	-
Miscellaneous Expenses	\$	67,902.17	\$	74,090.29
<b>Total Operating Expense</b>	\$	<b>5,149,991.79</b>	\$	<b>6,888,254.55</b>
<b>NET OPERATING INCOME (LOSS)</b>	\$	<b>574,012.98</b>	\$	<b>(966,468.68)</b>

### NON-OPERATING GAINS/(LOSSES):

Gain/(Loss) on Sale of Investments	\$	0.16	\$	(0.10)
Gain/(Loss) on Sale of Fixed Assets	\$	-	\$	1,818.40
Other Non-Operating Gains or (Losses)	\$	10,200.00	\$	4,730.00
<b>Total Non-Operating Expenses</b>	\$	<b>10,200.16</b>	\$	<b>6,548.30</b>
<b>NET INCOME</b>	\$	<b>584,213.14</b>	\$	<b>(959,920.38)</b>

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# 2020 Annual Meeting

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## MINUTES



*The minutes of the 84th Annual Meeting of Santa Fe Federal Credit Union held on October 15th, 2020.*

**Board members present:** Dennis K. Mustoe (Acting Chairman), Micheal R. Poole (Treasurer/Secretary), Tyler J. Allen (Vice Chairman), Larry A. Fassauer, Billy D. West, Collin J. Fowler, David A. Reese, and Anna M. Thoreson.

**Supervisory Committee members present:** Dusty L. Kemp and Darrell L. Hanks.

**Management personnel present:** Steven Adee, Tammy McNair, and Caleb McLean.

**Recording Secretary:** Mr. Poole.

### BUSINESS MEETING CALLED TO ORDER:

Mr. Mustoe of the Board called the 84th Annual Shareholder's Meeting to order at 6:05 p.m. at Santa Fe FCU Main Office located at 7600 Hillside Rd., Amarillo, TX.

Mr. Poole notified the Mr. Mustoe a quorum was present, and the annual meeting could proceed as scheduled. There were 25 registered members in attendance.

### INVOCATION:

Mr. Mustoe called on Steven Adee to lead the invocation.

### MINUTES OF PREVIOUS ANNUAL MEETING:

Mr. Mustoe called for any corrections to the minutes of the previous annual meeting (March 22, 2019) as presented in the annual report booklet. Mr. Poole made a motion to accept the previous annual meeting minutes as presented. Motion second was made by Ms. McNair. The motion carried on voice vote.

### ELECTION OF OFFICERS:

Mr. Mustoe read the nominating committee report concerning the election of directors. The report had been previously provided to the board.

Mr. Mustoe reported the following people would be running for a place on the Board of Directors Billy D. West, Larry Fassauer, and Anna M. Thoreson. The three candidates will run for the (3) three available positions on the Board.

Mr. Mustoe reported the actions of the nominating committee and the need for the membership present to elect three (3) members to the Board. The top three nominees by vote tally will each receive a (3) year term for the available positions on the Board. Mr. Mustoe reported the committee had interviewed each nominee listed in the resume and ballot pamphlet provided to the eligible voting members upon registration. The committee unanimously agreed the names placed in nomination would best serve the needs of the membership if elected.

Mr. Mustoe then called for nominations from the floor three times. After hearing no nominations from the floor, Mr. Kemp made a motion that nominations from the floor cease a second from Mr. McLean. Mr. Mustoe informed the membership that the nominees would be elected by acclamation. Mr. Mustoe then recognized the Supervisory Committee and thank them for their service

### OFFICER REPORTS:

Mr. Mustoe referred the members to the Annual Report that contains written reports from the President, Treasurer, and Supervisory Committee. Killian Craig made a motion to accept the reports as presented and written in the Annual Report. Motion second by Mary Martinez.

### OLD BUSINESS:

Mr. Mustoe called for any old business to come before the membership. None being heard, Mr. Mustoe proceeded to the next item of business on the agenda.

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# 2020 Annual Meeting

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MINUTES CONTINUED 

NEW BUSINESS:

Mr. Mustoe called for any new business to come before the membership.

None being heard, Mr. Mustoe yielded the podium to Steven Adee, President/CEO to make a brief report. Mr. Adee recognized the volunteer efforts of the board of directors and supervisory committee members.

ADJOURNMENT:

Mr. Mustoe announced to all directors a brief organizational board meeting to be held following the conclusion of the Annual Meeting. Mr. Mustoe expressed the board's appreciation to all credit union members in attendance at the 84th Annual Meeting. There being no further business to come before the members, Mr. Kemp made a motion to adjourn the business meeting at 6:15 p.m. Motion second by Ms. McNair. The motion carried on voice vote.

Respectfully Submitted,

**Dennis K. Mustoe**  
Acting Chairman

**Micheal R. Poole**  
Acting Secretary



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FEDERAL CREDIT UNION

*Keeping you on track*



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[www.santafefcu.com](http://www.santafefcu.com)

