



Southwest 66 Credit Union

2018 Annual Report

Credit Union Staff

Sean M. Cahill	President/CEO	Alaynah Garcia	Teller
William Duke	COO/FVP	Alondra Carnero	Teller
Shawna Orona	SVP/CFO	Alondra Rey	Teller
Aaron Chavez	VP of Member Services	Brianna Hernandez	Teller
Con Brazeal	Director of Strategic Projects & IT	Gina Vasquez	Teller
David Engstrom	Collections Manager	Idalys Tavarez	Teller
Michael Perez	Accounting Manager	Karen Garcia	Teller
Annalyssa Galvan	Assistant Call Center Manager	Kauai Fevella	Teller
Jessica Sanchez	Assistant Branch Manager	Lily Abila	Teller
Sarah Terrazas	Assistant Branch Manager	Patricia Horton	Teller
Diana Marin	Assistant Centralized Manager	Stephanie Corrales	Teller
Melanie Prieto	Accounting Clerk	Vanessa Romero	Teller
Aaron Richter	Processor	Sarahy Gutierrez	Greeter
Erica Brito	Processor		
Melanie Carrasco	Processor		
Adrian Alvarado	MSO		
Christina Salcido	MSO		
Feleena Munoz	MSO		
Monica Lopez	MSO		
Rebecca Morris	MSO		
Idaly Lujan	Call Center Agent		
Jessica Arreguin	Call Center Agent		
Sonia Porras	Call Center Agent		
Ashley Dorado	Collections Agent		

Southwest 66 Board of Directors

<u>Name:</u>	<u>Title:</u>	<u>Term Expires:</u>
Kris Crow	Chairman	2020
SL Craighead	Vice Chairman	2019
Terry Louvin	Secretary	2018
Jack Bain	Treasurer	2018
Tom Sprawls	Board Member	2019
Ray Fowler	Board Member	2020
Jerry Reno	Board Member	2019
Tommy Sheen	Advisory Board Member	
James Beauchamp	Advisory Board Member	



Chairman's Report

Dear Members,

When our credit union founders opened for business in 1948, they could only have dreamed that their vision for a banking alternative for their small field of membership might be successful. They couldn't know their venture would grow from a few members to 10,389 in 69 years and that our assets would grow to over 87 million dollars. We look back on those earliest days with gratitude for their courage, but also with a sense of awe at how far we've come. And we didn't get here by accident.

For the successes we can claim today, we have many people to thank, but we must start by recognizing our committed volunteer directors for their responsible stewardship of our principles, philosophy, and mission; our outstanding leaders for their insightful strategic planning and organization; our dedicated employees for embracing our values and our goals and delivering best-in-class service; and our loyal and financially astute members who appreciate the many ways this credit union is a partner in their financial wealth.

The foundation of our unique cooperative business model, "One member, one vote," empowers every single member to have a voice in their financial institution. When you participate in your credit union's voting process, you're contributing to its future growth and potential, year after year. As a result, we're able to return our profits to you in the form of competitive rates, new products, enhanced services, and additional points of service to help you strive toward your financial objectives.

So I thank you very much for joining me here today.

In 2017, many of our members got caught up in the Equifax breach that affected 143 million Americans. But your financial institution suffered no data breaches, and you can rest assured your data remains safe.

We can certainly say, without risk of exaggeration, that 2017 was one of the most significant and controversial years for the nation. And while a barrage of political headlines competed for our attention, the credit union Chairman's Report Statement of Financial Condition movement continued its steady trajectory forward and upward, with our focus finely tuned to the things that really matter to credit unions and our members.

We also dealt with another round of banker attacks regarding not only our tax exemption, but also our field of membership rules. They consistently fail to understand that what makes credit unions different is the not-for-profit cooperative structure enshrined in the Credit Union Act of 1934, seven cooperative principles. Just like banks, we accept deposits, make loans, and provide a wide array of other financial services. Profits made by credit unions are returned back to members in the form of reduced fees, higher savings rates, and lower loan rates. And unlike banks, we have all of you, our member-owners, not stockholders.

Community involvement is just one of the things that make credit unions different from other financial institutions. Just some of the things that embodied our commitment to the community during 2017 include:

We raised \$2,040 for the Children's Miracle Network. We provided our local food bank with over 80 hours of labor sorting and boxing food. We delivered over 540 meals through meals on wheels. We co-sponsored El dia del niño, a community health fair. We raised \$2,500 to benefit those affected by Hurricane Harvey and the subsequent flooding, and worked with other local credit unions to raise an additional \$9,500 to aid in recovery efforts.

As we move into 2018, my commitment to you today is that Southwest 66 Credit Union will continue to grow responsibly while listening and responding to your needs; explore innovative product and service solutions to enhance your financial life; and develop our staff and board so they can confidently and wisely serve your interests.

Sincerely,

Kriston Crow
Chairman of the Board
Southwest 66 Credit Union



Statement of Financial Condition

	2016	2017
ASSETS		
TOTAL LOANS, NET	\$40,586,625.45	\$45,145,840.40
CASH	\$1,084,942.82	\$261,975.47
INVESTMENTS	\$26,693,619.29	\$32,416,263.35
FIXED ASSETS	\$3,685,390.58	\$3,571,678.58
OTHER ASSETS	\$3,562,297.49	\$3,996,322.23
TOTAL ASSETS	\$75,612,875.63	\$85,392,080.03
LIABILITIES & EQUITY		
LIABILITIES	\$724,373.13	\$1,525,897.52
TOTAL SHARES AND CERTIFICATES CAPITAL	\$65,990,103.73	\$75,080,115.27
TOTAL LIABILITIES AND EQUITY	\$75,612,875.63	\$85,392,080.03
INCOME		
INTEREST ON LOANS	\$2,161,832.09	\$2,270,152.13
INVESTMENT INCOME	\$355,565.18	\$391,752.96
INCOME FROM FEES AND CHARGES	\$1,445,974.19	\$1,258,882.92
OTHER INCOME	\$57,457.79	\$110,787.72
TOTAL INCOME	\$4,020,829.25	\$4,031,575.73
EXPENSES		
SALARIES & BENEFITS	\$1,628,460.70	\$1,542,682.04
EDUCATION AND CONFERENCES	\$151,828.95	\$94,166.81
ASSOCIATION DUES	\$1,639.36	\$16,519.84
OFFICE OCCUPANCY	\$339,957.61	\$326,716.25
OFFICE OPERATIONS	\$927,323.50	\$878,027.89
ADVERTISING AND PROMOTION	\$30,630.65	\$29,623.26
LOAN SERVICING	\$(139,863.66)	\$87,960.46
PROFESSIONAL AND OUTSIDE SERVICES	\$124,681.38	\$156,783.02
PROVISION FOR LOAN LOSSES	\$518,991.18	\$741,267.50
MEMBERS INSURANCE	\$-	\$-
OTHER OPERATING EXPENSE	\$56,560.12	\$91,397.06
TOTAL OPERATING EXPENSE	\$3,640,209.79	\$3,965,144.13
OTHER NON OPERATING (INCOME) EXPENSE	\$(126,537.14)	\$2574.70
LOSS (GAIN) ON DISP OF ASSETS		
INCOME BEFORE DIVIDENDS	\$507,156.60	\$69,006.30
DIVIDENDS	\$258,910.93	\$264,639.63
NET INCOME	\$248,245.67	\$(195,633.33)
BOARD COMPENSATION	\$9,700.00	\$10,250.00
MEMBERSHIP SIZE	10,675	10,325

Board Compensation Projection for 2018 is \$11,400