

EVOLVE FEDERAL CREDIT UNION



2025

ANNUAL REPORT



89TH ANNUAL MEETING

WebEx
April 8th, 2026

AGENDA

1. **Determination of a Quorum**

Ms. Ginger Raya, Chair

2. **Minutes of Annual Meeting–April 9th, 2025**

Ms. Ginger Raya, Chair

3. **Report from the Board of Directors**

Ms. Ginger Raya, Chair

4. **Report from the President/CEO**

Mr. Randy Glover, President/CEO

5. **Report from the Supervisory Committee**

Mr. Rolyne Kafka, Chair

6. **New Business**

Ms. Ginger Raya, Chair

7. **Election Report**

Ms. Ginger Raya, Chair

8. **Adjournment**

Board of Directors

Dr. Ginger Raya – Chair

Fatuma Ereng – 1st Vice Chair

Dr. Angelica Martinez – 2nd Vice Chair

Belen Vigil – Secretary/Treasurer

Linda Gonzalez-Hensgen

Maria Pasillas

Mark Kimpel

Matthew Behrens

Lilia Worrell

Supervisory Committee

Rolyne Kafka – Chair

Richard Morales

ShinPing Chyi

Executive Staff

Randy Glover – President/CEO

Art Juarez – Chief Financial Officer

Ismael Mendiola – Chief Operations Officer

Luis Terrazas – VP of Compliance

Gabriel Munoz – VP of HR

Elisa Terrazas-Arce – VP of Marketing

Adam Lozoya – VP of Lending

Isabel Meza – VP of Mortgage Lending

Patrick Lujan – VP of I.S.

Perla Lopez– AVP of Finance

Iban Torres – AVP of Operations

Thomas Teeter– AVP of I.S.

MESSAGE TO OUR MEMBERS



Our prediction that 2025 would be a difficult year from an earnings and loan production standpoint was correct. We were not alone as financial institutions continued to face difficulties resulting from Federal Reserve interest rate policies. evolve FCU continued to provide our membership with great rates on both the share and loan side. The net worth for evolve FCU remains very strong even though the year was difficult from a net income perspective.

The good news is we did see a sharp reduction in inflation numbers during the year. Unfortunately, the Federal Reserve kept interest rates stagnant during most of 2025 with only a small reduction in rates. Due to the interest rate environment the Credit Union saw cost of funds remain high and the demand for new loans continue to slow. The continued tightening in our margins made net interest income difficult to obtain. Due to the continued squeeze with our margins evolve FCU ended the year with a net loss. Even with a net loss for the year, we were able to manage our balance sheet and preserve our net worth, which ended the year at 10.76%. We are confident there will be some rate decreases in 2026 and loan demand will begin to return. We are still predicting a slow loan year and this will again make net income difficult to come by in 2026 as our balance sheet continues to reprice. The good news is we are well positioned to withstand these issues and get past 2026. In spite of the economic issues, we did have some accomplishments in 2025. We sold the vacant Mission Valley building at the end of 2025 so we no longer have the expense of that location. We remodeled the building that was previously our main branch and converted it to our new administration building. We will look to sell the old administration building. We will continue to offer and promote our e-priority checking account paying 7% interest. We are seeing more members opening the Collegiate Checking account and are working closely with some local high schools and colleges to promote that account. We are also seeing more members take advantage of the special Healthcare Membership level for members who work in healthcare. We are in the process of upgrading our mobile app and home banking experience and expect to launch that very soon. These are just some of the projects we are implementing to help develop new members and position the Credit Union for future growth.

Ginger Raya,
Chair Board of Directors

Randy Glover,
President/CEO

STATEMENT

OF FINANCIAL CONDITION

Periods Ending December 31, 2025 and 2024

2025

2024

ASSETS

Cash and cash equivalents	\$10,672,270	\$7,026,328
Investments	39,924,309	42,355,304
Loans to members, net of allowance for loan losses	213,584,287	215,687,033
Property and equipment net	15,129,448	15,405,403
NCUSIF deposit	2,830,143	2,878,029
Other Assets	41,328,659	35,745,260
Total Assets	\$323,469,115	\$319,097,358

LIABILITIES and MEMBERS' EQUITY

Liabilities:

Accrued dividends payable	471,144	439,953
Accrued expenses and other liabilities	9,030,283	9,265,077
Members Liability	282,374,088	282,097,579
Total Liabilities	291,875,515	291,802,609

Members' Equity:

Regular Reserves	3,644,492	3,644,493
Undivided Earnings	27,949,108	23,650,256
Total members equity	31,593,600	27,294,749

Total Liabilities and Members' Equity

\$323,469,115 **\$319,097,358**

STATEMENT OF INCOME & EXPENSE

Periods Ending December 31, 2025 and 2024

2025

2024

INTEREST INCOME

Interest on loans	\$11,005,024	\$10,466,471
Income on investments	1,025,159	1,457,593
Total Interest Income	12,030,182	11,924,064

INTEREST EXPENSE

Dividends on Members Share	3,781,763	3,318,861
Dividends on Non Member Shares	221,070	553,699
Interest on borrowed money	35,621	4,373
Total Interest Expense	4,038,454	3,876,932
Net Interest Income	7,991,728	8,047,132

PROVISION FOR LOAN & Share LOSSES (PLL)

Net Interest Income after PLL	7,233,451	7,391,186
--------------------------------------	------------------	------------------

NON-INTEREST INCOME

Fees and Other Operating Income	3,386,760	3,611,050
Other non-interest income	729,614	789,223
Total Non-Interest Income	4,116,374	4,400,273

NON-INTEREST EXPENSES

Compensation & Benefits	5,932,089	5,625,549
Office Occupancy Expense	975,637	913,924
Office Operation Expense	3,133,179	3,127,353
Professional & Outside Services	642,050	575,750
Miscellaneous	1,755,231	2,081,109
Total Non-Interest Expense	12,438,185	12,323,686

Income From Operations

(\$1,088,359) **(\$532,226)**

Net Income

-\$1,088,359 **-\$532,226**