



ANNUAL **REPORT** | 20
21

85th Annual Meeting

April 20th, 2022

AGENDA

- 1. Determination of a Quorum**
Mr. Matthew Behrens, Chair
- 2. Minutes of Annual Meeting – April 14th, 2021**
Mr. Matthew Behrens, Chair
- 3. Report from the Board of Directors**
Mr. Matthew Behrens, Chair
- 4. Report from the President/CEO**
Mr. Kenneth Walters, President/CEO
- 5. Report from the Supervisory Committee**
Mr. Edmundo Calderon, Chair
- 6. New Business**
Mr. Matthew Behrens, Chair
- 7. Election Report**
Mr. Matthew Behrens, Chair
- 8. Adjournment**

Board of Directors

Matthew Behrens – Chair
Linda Gonzalez-Hensgen – 1st Vice Chair
Fatuma Ereng – 2nd Vice Chair
Dr. Ginger Raya – Secretary/Treasurer
Oscar Arriaga
Dr. Angelica Martinez
Lilia Worrell
James Brackenbury
Linda Imai-Dixon

Supervisory Committee

Edmundo Calderon
Maria Pasillas
Rolyne Kafka – Chair

Executive Staff

Ken Walters – President/CEO
Randy Glover – Chief Lending Officer
Art Juarez – Chief Financial Officer
Perla Lopez – AVP of Finance
Adam Lozoya – VP of Sales
Gabriel Munoz – VP of HR
Elisa Terrazas-Arce – VP of Marketing
Isabel Meza – VP of Mortgage Lending
Ismael Mendiola – VP of Service
Patrick Lujan – VP of I.S.
Bobby Vincent – AVP of I.S.
Luis Terrazas – VP of Compliance





Ken Walters

Ken Walters,
President/CEO

MESSAGE TO OUR MEMBERS

evolve Federal Credit Union had an incredibly good 2021 with several factors contributing to our financial success. Looking at 2021 from a 30,000 foot view one would think that evolve FCU had a banner year, but that would not paint an accurate picture of what really occurred for us in 2021. The one word I can think of that better depicts our year would be “fortunate.” We were fortunate that we received the \$575k owed us from the National Credit Union Administration (NCUA) for the Southwest Corporate capital failure from 2009. We were fortunate that the financial markets had a great year and we gained \$558k from our investment portfolio. Finally, we were fortunate to benefit from the Federal Government CARES Act and the Employee Retention Credit to the tune of \$1.4mm. Back those items out and we would have been “fortunate” to make \$1mm in net income for 2021. Considering what we went through in 2020 we were due some good fortune and we got it. So yes, from the 30,000 foot view evolve FCU had a banner year. The Board of Directors believes when good things happen, we should pass that good fortune along to our membership. So, in 2021 evolve FCU was able to pay our membership through the Patronage Dividend \$2mm. Since 2015 evolve FCU has been the only financial institution in El Paso to pay back over \$11.75mm to its membership.

Matthew Behrens,
Chairman, Board of Directors

The COVID pandemic has definitely influenced how people bank and we positioned ourselves several years ago to capitalize on a shift to electronic delivery channels, which are now the norm. But the effects of the pandemic are still noticeable as snarled supply chains, and an inflationary economy are starting to place additional stress on our members. These continuing economic pressures will dampen expectations for future earnings, at least for the short term. We were fortunate in 2021 and we passed that good fortune on to our members. Let us hope that 2022 will see stronger economic growth as the pandemic subsides and business can get back to pre-pandemic levels.

We thank you for your continued support.

Ken Walters,
President/CEO

STATEMENT OF FINANCIAL CONDITION

Periods Ending December 31, 2021 and 2020

2021

2020

ASSETS

Cash And Cash Equivalents	\$27,350,768	\$42,012,081
Investments	64,892,628	50,890,770
Loans To Members, Net Of Allowance For Loan Losses	215,589,266	214,063,707
Property And Equipment Net	12,394,111	6,631,659
NCUSIF Deposit	3,085,286	2,867,695
Other Assets	37,737,204	35,157,090
Total Assets	\$361,049,263	\$351,623,003

LIABILITIES and MEMBERS' EQUITY

Liabilities:		
Accrued dividends payable	181,840	231,936
Accrued expenses and other liabilities	16,122,262	13,416,843
Members Liability	312,977,888	306,071,715
Total Liabilities	329,281,990	319,720,494
Members' Equity:		
Regular Reserves	3,644,493	3,644,493
Undivided Earnings	28,122,780	28,258,017
Total Members Equity	31,767,273	31,902,509
Total Liabilities And Members' Equity	\$361,049,263	\$351,623,003

STATEMENT OF INCOME & EXPENSE

Periods Ending December 31, 2021 and 2020

2021

2020

INTEREST INCOME		
Interest On Loans	\$8,793,514	\$10,205,572
Income On Investments	551,391	792,185
Total Interest Income	9,344,904	10,997,758
INTEREST EXPENSE		
Dividends On Member Share	3,686,337	2,125,392
Dividends On Non-Member Shares	673	5,243
Interest On Borrowed Money	0	4
Total Interest Expense	3,687,010	2,130,640
Net Interest Income	5,657,895	8,867,118
PROVISION FOR LOAN & SHARE LOSSES (PLL)		
Net Interest Income After PLL	-19,925	452,178
5,677,819	8,414,940	
NON-INTEREST INCOME		
Fees And Charges	4,404,295	4,075,099
Other Non-Interest Income	1,320,416	1,024,935
Total Non-Interest Income	5,724,711	5,100,034
NON-INTEREST EXPENSES		
Compensation & Benefits	3,334,888	5,645,208
Office Occupancy Expense	965,140	939,863
Office Operation Expense	2,830,512	2,770,570
Professional & Outside Services	625,442	574,147
Miscellaneous	2,610,226	2,176,950
Total Non-Interest Expense	10,366,208	12,106,738
Income From Operations	\$1,036,323	\$1,408,236
Non-Operating Income (Loss)		
Extraordinary Items - Write Down Of SWCorp MCA	0	0
Extraordinary Items - Impairment Of NCUSIF Deposit	0	0
Net Income	\$1,036,323	\$1,408,236

