



64TH

ANNUAL REPORT



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Board of Directors,
Supervisory Committee,
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It is my honor to represent you, the members of Elko Federal Credit Union, as your Board Chairman. I assumed this position upon completion of last year's annual meeting, succeeding Jan Baum. Jan held this position for a number of years and has proven to be a very hard act to follow.

2023 was an outstanding year for Elko Federal Credit Union. EFCU exceeded \$260 million in total assets and over \$32 million in equity. In addition, EFCU had over 17,000 members at year end.

The Board is focused on continuing to provide secure financial services to all our members. To this end, EFCU has explored ways to increase both our business services as well as our personal services. This has included the addition of money market accounts as well as an expanded variety of savings accounts to better meet the needs of our members.

The Board is committed to being a supporter of the youth in our collective communities. We have continued our commitment to our "EFCU Cuts for Kids" event, providing a clean cut to start the new school year for students. We have also continued our financial literacy programs at our local schools, conducting "hands-on" financial training to our students as well as providing speakers for conducting student training seminars. In addition,

CHAIRMAN'S REPORT

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we have continued our support of the Spring Creek High School Kids Cooking Camp as well as sponsoring EFCU's Credit Union Night at the annual Elko/Spring Creek High School basketball game. Finally, we have continued our student scholarship program making 10 scholarships available to all the high schools in our field of membership.

The Board is also committed to being an involved member of our community. We are proud supporters of the Elko County Fair; the Silver State Stampede; the Winnemucca Ranch Hand Rodeo; and the Boys and Girls Clubs of Elko and Spring Creek. In addition, we have supported mental health programs and mental health education in our communities. Providing suicide prevention and behavioral health awareness to Northeastern Nevada, especially our youth, is imperative to the success of our community.

The Board ended 2023 by declaring a \$750,000 loan interest refund and dividend back to both our borrowing members and our savings members. This is a testament to the quality of our membership and their financial capabilities.

In closing, I would like to thank our members for allowing me to serve as your Board Chairman. I would also like to give a huge thanks to our excellent staff for their hard work and commitment to excellence, along with our Board members for their knowledge and commitment to making Elko Federal Credit Union the premier financial institution in Northeastern Nevada.

Sincerely,



Thomas C. Ballew
Chairman

Elko Federal Credit Union Board of Directors

“It takes a village” I cannot express the number of times I hear that phrase when out engaging with our community, whether associating “the village” to family, education, civic, or other key compartments of our lives – even banking! When we step up individually to become part of the village, the community collective is lifted and benefits. We are fortunate to be a part of a thriving village and community.

At EFCU we pride ourselves in strengthening and supporting our community through various events or projects within our field of membership. This EFCU community collective includes our employee group, Board of Directors, and various oversight committees. It also includes the family members and friends of each of those collectives!

When we are given the opportunity to participate or support organizations, events, volunteer opportunities, and our local youth we are excited to step up where we can.

EFCU’s role as a locally-owned financial institution is one that we recognize with great importance. In honoring that role, we sponsor flagship community events like the ones that only require one-word descriptors – the Gathering, the Fair, and the Stampede, but our support doesn’t end there. We also make it a priority to support individuals and smaller organizations who work to make a difference in our community.

We love our partnership with the Boys & Girls Club of Elko and were able to sponsor their annual Cioppino Feed this year. One of my

PRESIDENT & CEO REPORT

“We strive to make our community a better place with each event or project we are involved with.”





favorite moments of the night was introducing Christian Felix as the local Youth of the Year and presenting him an EFCU scholarship. Christian went on to compete in a statewide competition with other Boys & Girls Club Youth of the Year winners, and he WON for the state of Nevada. Clearly our local leaders are preparing our area youth to live the Boys & Girls Club's mission of demonstrating good character, citizenship, and living a healthy lifestyle while on track to graduate high school. These are characteristics that EFCU values.

Putting that into action, we have made a conscious effort to support entities focused on the mental health and the mental fitness of our community. We have partnered with Zero Suicides Elko County in their efforts to increase access to mental health services, promote the existence of educational resources and suicide prevention. We continue to work with Elko County School District leadership, this year we sponsored a motivational speaker whose focus is making a difference in the lives of both adult and youths. In addition, EFCU supports the HOPE Squad program at all middle & high school levels in our communities. At the college level, we are committed to supporting the BetterMynd program providing online therapy for college students at Great Basin College.

In Fall of 2023, as active members in our local Elko Area Chamber of Commerce we hosted Business After Hours. We welcomed our local business community into our Elko Branch, breaking bread over great food and even better drinks. This event allowed us to connect with

owners and managers of local businesses and share all of our banking products and commercial loan options that are not otherwise available from our competitors. We loved hosting our members and community.

Last, but certainly not least, EFCU had a great year! We continue to grow our community involvement and support our membership by offering programs such as EFCU Cuts for Kids and our annual scholarship program. We continue to enhance the products and product types, as well as financial education resources that are available to our members and community. We work hard to ensure that competitive financial products available locally, and that our members don't feel like they have to look anywhere else but their local credit union for competitive banking.

I appreciate the trust that our members have put into my hands to make our credit union successful. We strive to make our community a better place with each event or project we are involved with. Come join our "village", we welcome you!



Todd Sorenson
President & CEO

▶▶▶ The Supervisory Committee is responsible for arrangement of audits and other policy and procedure oversight activities over EFCU's operations.

The EFCU Board of Directors appoints members of the EFCU Supervisory Committee from members of this credit union. The Supervisory Committee is responsible for arrangement of audits and other policy and procedure oversight activities over EFCU's operations.

In regards to fulfilling its duties, the Supervisory Committee has engaged Eide Bailly LLP, a respected independent certified public accounting firm with financial institutions industry specialties, to conduct its required annual supervisory committee audit and verification of accounts in accordance with required timelines. In addition, the Supervisory Committee provides many hours of volunteer service related to other internal auditing functions.

The Supervisory Committee members participate in regularly scheduled Supervisory Committee meetings, other planning sessions, and special committees to assist with oversight and decision-making supporting EFCU's efforts to serve its membership.



Lynn Kingwell

Chairperson

Elko Federal Credit Union Supervisory Committee Chair

SUPERVISORY COMMITTEE REPORT



Analysis of the financial condition & results of operations for 2023

The following commentary explains the principal aspects of the financial condition and results of operations of the Elko Federal Credit Union. This commentary should be read in conjunction with the accompanying financial statement and statement of income for the year ending December 31, 2023.

Overview

Elko Federal Credit Union was authorized and chartered in 1960 and is a community Credit Union offering a full line of financial services.

The financial statements and statement of income for the Elko Federal Credit Union are prepared by management, which is responsible for their integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. In the opinion of management, and based upon my review, the financial statements fairly present the financial condition and results of operations of the Elko Federal Credit Union, in conformity with generally accepted accounting principles appropriate in the circumstances.

TREASURER'S REPORT

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We sincerely believe that our loan products, financial services, and member base are stronger than ever.
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To meet its responsibility for reliable financial information, the Board of Directors depends on management's accounting and internal control systems, which have been designed to provide reasonable, but not absolute, assurance that assets are safeguarded, and transactions are properly authorized and recorded. The systems have been designed to recognize that the cost must be related to the benefits derived. To monitor compliance, it is the responsibility of the Supervisory Committee to perform audits of the accounting records, review accounting systems, internal controls and recommend improvements as deemed appropriate.

The Board of Directors has the final overall responsibility for the Elko Federal Credit Union's system of internal control and financial reporting. The Board consults regularly with management and meets periodically with independent accountants and internal auditors to review the scope and results of their work. The independent accountants and internal auditors have direct access to the Board.

Results of Operations

During 2023, Elko Federal Credit Union reported net income of \$4,581,560. The capital to asset ratio, a key measurement of the overall soundness of the Credit Union, as of December 31, 2023 was 12.00%, which is well capitalized per the National Credit Union Administration. Effective as of December 31, 2023, total capital was \$32,232,640.

Total assets as of December 31, 2023, were \$268,594,124. Net income from operations was \$4,581,560 for the year ended December 31, 2023.

Total gross income for the year ending December 31, 2023, was recorded in the amount of \$12,238,988.

Dividends paid during 2023 amounted to \$1,917,006. As of December 31, 2023, total savings, shares, and deposits totaled \$235,136,268.

Loans Outstanding

As of December 31, 2023, total loans outstanding were \$181,977,375. Compared to December 31, 2022, total loans increased by \$30,771,293. Total loans closed during 2023 totaled 2,050 by number and aggregated to \$78,271,759.

Total members as of December 31, 2023 were 17,066, increasing from 16,350 as of December 31, 2022.

Loss Experience & Non-Performing Assets

During 2023, Elko Federal Credit Union recorded loan charge-offs totaling \$162,494. As of December 31, 2023, 11 loans that are more than two months delinquent which total \$184,561.

As of December 31, 2023, the Allowance for Loan Loss ("ALL") account was \$361,344. This account is adjusted monthly based upon several factors and charged to present earnings, and provides a specific fund provision for possible future credit losses.



Summary

We sincerely believe that our loan products, financial services, and member base are now stronger than ever. We are extremely proud of our relationship with our members as the key to our success largely depends on loyal and satisfied members. All of us at Elko Federal Credit Union, are very appreciative of the support our 17,066 members who have entrusted their banking business to Elko Federal Credit Union over the past 60+ years. We look forward to a healthy and profitable 2024 meeting your financial needs while we grow and prosper together. The undersigned certifies that this report and analysis of the

financial condition and results of operation for 2023, has been prepared in accordance with all applicable statutory or regulatory requirements and that the information contained herein is true, accurate, and complete to the best of my knowledge.

Jon A. Wahrenbrock

Treasurer

Elko Federal Credit Union Board of Directors

BOARD OF DIRECTORS

Tom Ballew, Chairperson
Mike Smales, Vice Chairperson
Jon Wahrenbrock, Treasurer
Amanda Osborne, Secretary
Jan Baum, Director
Robert Collyer, Director
Mark Wetmore, Director

SUPERVISORY COMMITTEE

Lynn Kingwell, Chairperson
Amy Rodriguez, Secretary
Al Plank, Member
Curtis Cadwell, Member
Mark Wetmore, Board Representative

SENIOR MANAGEMENT

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Danny Benson, SVP Chief Lending Officer
Tawna Melton, Chief Operating Officer
Jody Borjas, VP Finance
Rhyan Meade, VP Information Technology
Catherine Hutchings, VP Human Resources

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EFCU

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