

# 62<sup>ND</sup> ANNUAL REPORT





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## ➤ CHAIRPERSON'S REPORT

I am honored to be the current Chairperson of Elko Federal Credit Union (EFCU). I have been a member of EFCU since 1991 and on the Board of Directors for over 15 years. Elko Federal Credit Union had another outstanding year. EFCU exceeded \$250 million in membership assets and nearly 17,000 members! The continued growth of EFCU demonstrates the trust residents of Northeastern Nevada have in EFCU. The Board of Directors and our valued team of EFCU employees take great pride in continuing to provide Northeastern Nevada with financial services members trust. We are proud to be “THE financial institution that represents and supports Northeastern Nevada’s financial and community needs.”

**“It is an exciting time to be part of an organization with vision to enrich so many lives in our great community!”**

EFCU was able to host a grand opening and 60th Anniversary celebration in 2021. It was a great opportunity to celebrate with our members! This celebration was followed by EFCU delving into a core conversion on our computer systems. This conversion was a huge undertaking for the entire EFCU team, and the Board of Directors is appreciative of their outstanding achievement. The core went live in December 2021. As with all core conversions, there were definitely pain-points but in the end, the members will benefit from the conversion with higher level of service and the ability for EFCU to continue to expand services for our individual and business members.



Looking ahead to 2022, the Board of Directors is looking forward to providing the local small businesses in Northeastern Nevada additional banking services. The feedback in our community has been there is a need for business services and EFCU is excited to use our resources to answer this community need. In addition to expanding business services, EFCU has partnered with a local financial planning and investment firm to provide an in-house investment advisor for EFCU members. Most importantly EFCU will continue to pride ourselves in providing exceptional customer service to all members in our field of membership.

Recently EFCU announced the addition of our new CEO, Todd Sorenson. Todd is enthusiastic, eager to incorporate himself into the Northeastern Nevada Community, and has outstanding qualifications to lead EFCU into the future! We welcome Todd to our EFCU team and are confident he will represent EFCU as a staple in our community.

In closing, the Board of Directors would like to voice our commitment to supporting our local community organizations both through monetary donations and being visible in our community. EFCU's future is this community, and we are only as successful as our community partners!

Thank you again for the opportunity to serve EFCU and the Northeastern Nevada community.



**Jan Baum**  
Chairperson







## ➤ PRESIDENT AND CEO REPORT

In 2021, we would have hoped that the challenges and accommodations associated with the COVID-19 pandemic would have been in our rear-view mirror. But as we all continued to learn about the virus and its transmission patterns, it turned out to be a year of varying degrees of having our branches open and then closed and then back open again. We are all looking forward to more stability in the way that we are able to provide services to our membership in the future.

**“I am excited to be associated with this team of great people. We function as a team to ensure the members of EFCU are best served for their financial needs.”**

We plan to keep the best parts the changes that were required or made during the pandemic which impacted our business. We will ensure electronic access is available and operating, as well as continue to welcome you all into our branches for personal interactions while supporting your needs.

On a personal note, I am the new guy around here! I am a new resident of Elko County, but not unfamiliar with the wonderful people of its' communities, beautiful mountains and landscapes of the high desert, and the array of small and large businesses who serve our communities. My initial introduction to the area was as a team roper competing in the local college rodeo at the Horse Palace in Spring Creek. Subsequent visits had “must stops” being both longstanding and new businesses in the area. Later still, I had family relocate to the area which allowed more frequent trips to Elko County. And now here I am living here with a tremendous opportunity to become acclimated to our community and people in my role as President and CEO of EFCU. I very much look forward to getting to know our members, prospective members, and businesses!





Elko Federal Credit Union (EFCU) is a community focused financial institution. Owned by our members, we are the only locally owned financial institution in Elko County. That means that decisions impacting our membership are made by people who live here, possibly even a neighbor! We are proud of our over 60-year history serving our members and the communities within our membership footprint.

In the beginning, our banking services were primarily done in person in our two branches in Elko and Spring Creek. With the gift of advancing technology, banking services can now also be conducted electronically in many available options – online, via our smart phones on our EFCU mobile app, through use of our Interactive Teller Machines (ITMs) in our drive through lanes, and of course saying hello in person inside one of our two branches. We are especially proud of how a planned investment in these ITMs was able to provide a critical role in safe, available services in our respective drive throughs as we navigated the unknown risks and regulatory requirements put in place due to the pandemic these past two years.

Our financial results are included in this annual report, and are certainly indicative of the hard work that our employees and governance bodies have put in on our members behalf. As I am becoming familiar with the employees of EFCU, and the volunteers who serve on our EFCU Board of Directors and Supervisory Committee, I am excited to be associated with this team of great people. We function as a team to ensure the members of EFCU are best served for their financial needs. We appreciate the loyalty of our members, and look forward to a bright future with EFCU!

**Todd Sorenson**  
President and CEO





## ➤ **TREASURER'S REPORT**

### **ANALYSIS OF THE FINANCIAL CONDITION & RESULTS OF OPERATIONS FOR 2021**

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, 2021.


#### **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.

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.





**“We sincerely believe that our loan products, financial services, and member base are stronger than ever.”**

## Results of Operations

During 2021, the Elko Federal Credit Union reported net income of \$1,647,795. The capital to asset ratio, a key measurement of the overall soundness of the Credit Union, as of December 31, 2021 was 9.72%, which is well capitalized per the National Credit Union Administration. Effective as of December 31, 2021, total capital was \$24,507,982.

Total assets as of December 31, 2021 were \$252,217,900. Net Income from operations was \$1,647,795 on December 31, 2021.

Total gross income for the year ending December 31, 2021 was recorded in the amount of \$9,169,028.

Dividends paid during 2021 amounted to \$398,078. Effective as of December 31, 2021, total savings, shares, and deposits were \$226,806,728.

## Loans Outstanding

Effective as of December 31, 2021, total loans outstanding was \$131,069,041. Total loans increased \$12,447,513. Total loans closed during 2021 totaled 1,857 by number for \$61,330,347.

Total members as of December 31, 2021, were 16,441.

## Loss Experience & Non-Performing Assets

During 2021, the Elko Federal Credit Union recorded loan charge-offs totaling \$72,913.18. During the year the Elko Federal Credit Union recorded recoveries of \$17,860.21.

We have 11 loans that are more than two months delinquent for \$224,601.

As of December 31, 2021, the Allowance for Loan Loss (“ALL”) account was \$447,052. 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 the Elko Federal Credit Union, are very appreciative of the support our 16,441 members who have entrusted their businesses to the Elko Federal Credit Union over the past sixty plus years. We look forward to a healthy and profitable 2022 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 2021, 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.



**D. Mike Smales**

Treasurer

Elko Federal Credit Union Board of Directors



## **BOARD OF DIRECTORS**

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

## **SUPERVISORY COMMITTEE**

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

## **SENIOR MANAGEMENT**

Todd Sorenson, President and Chief Executive Officer  
Danny Benson, SVP Chief Lending Officer  
Tawna Melton, Chief Operating Officer  
Jody Borjas, VP Finance  
Rhyan Meade, VP Information Technology





Powered by **you**...soar above

# EFCU

[elkofcu.org](http://elkofcu.org)



Insured by NCUA