



Improve Lives.  
Achieve Dreams.

# ANNUAL REPORT 2020

**Better is...  
a Brighter Future!**

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**Better is...  
a Brighter  
Future!**





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# A Message to our Members: From the Chairman of the Board and President



Jaime Barceleau



Karl T. Murphy

Looking in the rear mirror, 2020 was an unprecedented year for FirstLight and the communities we serve. The COVID-19 pandemic did not discriminate, forcing an all-hands-on-deck mentality to rethink how we serve and protect our employees and members.

“ *As an essential service provider, we did our level best to navigate an unconventional landscape with a focus on safety.* ”

While not always popular, thoughtful decisions were made to close or modify branch hours to make sure we could serve another day.

Our volunteers and staff were quick to pivot and develop new strategies—strategies that provided many of our employees the ability to work from home. Better yet, implementing new technology like [Live Video Banking](#) to allow you to bank from the comfort of your own home. Along those same lines, we also introduced [contactless credit cards](#) and let's not forget our [FirstLight Rewards Program](#)—a loyalty program that allows you to earn cash back, loan discounts, and fee reversals.

As a trusted financial partner, our management team was just as proactive by quickly developing new programs to assist our community membership. In fact, FirstLight established an Interest Relief Program on our credit cards, established emergency personal and credit rebuilder loans, and developed a new account called the “Fresh Start Spend Account” to help members reestablish a banking relationship. We even approved 9,692 requests to skip a loan payment. Our small businesses received assistance meeting their payroll expenses as we funded over \$10.7 million in PPP (Paycheck Protection Loans). Of course, at the heart of FirstLight is not only our members, but the communities we serve—El Paso, Fort Bliss, and Las Cruces. We are committed to helping our community and understand the social responsibility of being a good neighbor—recognizing the benefits of diversity, equity, and inclusion. While 2020 may have been an unpredictable and difficult year, we shall let it serve as a reminder of our resilience and determination. Moreover, as we transition to 2021, it is met with optimism knowing that together...**we are better!**

Best Regards,

**Jaime Barceleau**  
Board Chairman

**Karl T. Murphy**  
President/CEO

**\$1.32 B**  
Total Assets

 **16.37%**

**\$950.5 M**  
Total Loans

 **4.42%**

**\$1.19 B**  
Total Deposits/Shares

 **17.32%**

**112.87**  
Total Equity

 **7.75%**

# Meet the Team



## Board of Directors

Jaime Barceleau | Board Chairman  
Carlos Guzman | Board Vice Chairman  
Sylvia Duarte | Treasurer  
Gilbert Tijerina | Secretary  
Miguel Cheng-Guajardo | Board Member  
Billy Lewis | Board Member  
Jaime Medina | Board Member  
Ruben Garcia | Advisory Member

## Senior Management Team

Karl T. Murphy | President/CEO  
Judy DeHaro | Chief Lending Officer  
Margie Salazar | Chief Financial Officer  
Aaron Beldner | Chief Information Officer  
Jim Huff | Chief Retail Officer  
Anthony T. Walker | Senior Vice President of Marketing and Community Impact  
Grace Munoz | Senior Vice President of Talent Management  
Rick Divina | Vice President of Accounting  
Joe Arvizu | Vice President of Administration  
Scott Heck | Vice President of Business Services  
William Kishton | Vice President of Consumer Lending  
Andy Atkinson | Vice President of Electronic Services  
Tim Morse | Vice President of Information Technology  
Addy Reeves | Vice President of Mortgages  
Carmen Sanchez | Vice President of Retail  
Michael Mehring | Vice President of Risk Management

# Minutes of the 65<sup>th</sup> Annual Member's Meeting of FirstLight Federal Credit Union

Virtual Meeting  
Via Zoom Webinar

Thursday May 14th, 2021  
5:00 pm

## I. WELCOME AND CALL TO ORDER

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The meeting was called to order and the members were welcomed by Mr. Jaime Barceleau, Chairman of the Board of Directors at 5:00 p.m.

Mr. Karl Murphy, President/CEO presented the invocation and the Pledge of Allegiance.

## II. APPOINTMENTS

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The meeting was conducted in adherence with Robert's Rules of Order. Ms. Pat Aguilera was appointed as recording secretary.

## III. INTRODUCTIONS

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Mr. Barceleau introduced the current members of the Board of Directors and the Supervisory Committee, thanking them for their service to FirstLight Federal Credit Union as volunteers.

Mr. Murphy thanked the Board and Supervisory Committee volunteers for their service to the credit union and introduced the Executive Officers of the credit union.

## IV. QUORUM

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Mr. Barceleau confirmed 94 members present on behalf of Ms. Sylvia Duarte, Treasurer of the Board of Directors.

## V. PRESENTATION OF OFFICIAL REPORTS

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### Minutes

The minutes of the 64<sup>th</sup> Annual Meeting were presented.

Motion to approve and accept the minutes of May 11, 2019 as written was made by Michael Foster and seconded by Alex Arce. Motion carried. None opposed.

## Official Reports and Financials

Mr. Barceleau noted the official reports presented in the 2019 annual report including the chairman and president's report, the supervisory committee's report, and the financial statements. He then asked Mr. Murphy to provide an update of credit union operations to the members.

Mr. Murphy thanked the members for their valued membership and support of the credit union. He also commended staff for their hard work and dedication to serving the members of the credit union. Mr. Murphy then provided an update on the current status of the credit union. The credit union implemented emergency practices because of COVID-19, causing lobbies to be closed except for essential activity. Branch personnel were available onsite via appointments. The drive-thrus remained open with expanded transaction capability. The credit union offered additional access points through e-services, including Website, Chat, Video Tellers, ATMs, remote banking, online account opening and online loan applications. Additional services include video conferencing and enhanced card management for debit and credit cards. Members were given opportunity to skip payments up to 90 days on consumer and business loans, and loan modifications have been offered for mortgage and business loans, along with emergency loans. The credit union also participated in the SBA Payroll Protection Program loans. In support of staff, the credit union was proactive in making sure staff's needs were met, including financial, emotional and family support. The credit union ensures a better banking experience with its future focus on convenience and access, including a new westside branch in the future, providing financial education, and a rewards program.

A motion was made by Luis Torres and seconded by Marcos Olivas to accept all reports as written. Motion carried. None opposed.

## VI. ELECTION RESULTS

There were six candidates nominated for the Board from the membership: Ralph Adame, Ruben Garcia, Carlos Guzman, Billy Lewis, Jaime Medina, and Joshua Orozco.

There was a total of 1,096 valid ballots received from the membership. The following were the results of the votes cast:

|                      |     |        |
|----------------------|-----|--------|
| Carlos Guzman        | 633 | 22.45% |
| Billy Lewis          | 603 | 21.38% |
| Jaime Medina         | 526 | 18.65% |
| Joshua Orozco        | 462 | 16.38% |
| Ruben Garcia         | 335 | 11.88% |
| Rafael "Ralph" Adame | 261 | 9.26%  |

There being three open positions for the board, Mr. Carlos Guzman and Mr. Billy Lewis will hold a three-year term, and Mr. Jaime Medina will complete the unexpired term of our former board member, Renee Jimenez, whose term expires in 2021.

## VII. ADJOURNMENT

Mr. Barceleau announced the conclusion of the 65<sup>th</sup> Annual Meeting of the FirstLight Federal Credit Union.

Motion to accept adjournment of the meeting was made by Ken Binkley and seconded by Sebastian Camacho. Motion carried. None opposed.

There being no further business, the meeting adjourned at 5:20 p.m.



# Supervisory Committee Chairman's Report

The FirstLight Federal Credit Union Supervisory Committee oversees the protection of members' funds and ensures policies and procedures safeguard assets. The Committee also oversees the accuracy of financial records, in accordance with laws and regulation. With fraud so prevalent during these trying times, there is a heightened awareness to be watchful and proactive to protect the welfare of the Credit Union, its members, employees, and officials. We encourage members to join in this effort by ensuring their account information is secure at all times and credit union staff is available to help you in that endeavor.



Your Supervisory Committee is composed of four volunteer members appointed by the Board of Directors. The Committee oversees the internal audit function which conducts internal audits and carries out its work in an independent manner, subject to the Credit Union By-Laws and the Internal Audit Charter. Our audit plan emphasizes testing internal controls and assuring compliance with applicable laws, rules, and accounting practices. We also oversee inquiries to address any issues raised by members and prepare reports, as appropriate.

During the year, the Supervisory Committee engaged the accounting firm of CliftonLarsonAllen, LLP for the 12-month period ending June 30, 2020. All of the audits, reviews, and examinations conducted during the period conclude that your Credit Union remains financially sound, is well-managed, and operates in compliance with federal laws, regulations, and policies. It is the opinion of your Supervisory Committee that the Credit Union's policies and procedures, as well as Management's practices, are sound. Such opinion is based upon Supervisory Committee internal audits, the independent external audit, and the NCUA examination report.

The Supervisory Committee members are all volunteers and serve without compensation. Committee members are:

- Joshua Orozco, Chairman
- Gilbert Andujo
- Michael McQueen
- Jaime Medina

I express my appreciation to the members of the Supervisory Committee who volunteer their time, bringing their broad skills and knowledge to the Committee. Also, my appreciation goes to the Internal Audit Department, Board of Directors, management, and staff for their continued cooperation and assistance.

**Joshua Orozco**

***Supervisory Committee Chairman***

# Financials 2020

## Consolidated Statement of Financial Condition

As of December 31, 2020

|  | 2020                 | 2019                 |
|--|----------------------|----------------------|
| Cash and cash equivalents                          | 167,335,067          | 73,896,450           |
| Investments  | 126,012,473          | 73,999,705           |
| Loans held-for-sale                                | 1,095,911            | 715,734              |
| Loans to members, net of allowance for loan losses | 940,778,592          | 902,805,405          |
| Premises and equipment, net of depreciation        | 39,959,130           | 41,517,835           |
| Other assets                                       | 44,841,136           | 41,404,645           |
| <b>Total Assets</b>                                | <b>1,320,022,310</b> | <b>1,134,339,773</b> |
| <b>Liabilities and Members' Equity Liabilities</b> |                      |                      |
| Members' share accounts                            | 1,195,537,880        | 1,018,330,583        |
| Non member deposits                                | -                    | 744,000              |
| Accrued interest payable                           | 195,573              | 266,601              |
| Borrowed funds                                     | -                    | -                    |
| Accrued expenses and other liabilities             | 11,414,986           | 10,246,992           |
| <b>Total Liabilities</b>                           | <b>1,207,148,439</b> | <b>1,029,588,176</b> |
| <b>Members' Equity</b>                             |                      |                      |
| Regular reserve                                    | 5,996,720            | 5,996,720            |
| Unrealized G/L on investments                      | 107,148              | 29,089               |
| Undivided earnings                                 | 106,770,004          | 98,725,787           |
| <b>Total Members' Equity</b>                       | <b>112,873,872</b>   | <b>104,751,596</b>   |
| <b>Total Liabilities and Members' Equity</b>       | <b>1,320,022,310</b> | <b>1,134,339,773</b> |

This financial data presented in this Annual Report as of December 31, 2020 is unaudited, however, the CPA firm of CliftonLarsonAllen conducted an audit at the credit union as of June 30, 2020.

# Financials 2020

## Consolidated Statement of Operations

As of December 31, 2020

|  | 2020              | 2019              |
|--|-------------------|-------------------|
| <b>Interest Income</b>                                     |                   |                   |
| Interest on loans to members                               | 46,713,220        | 46,598,755        |
| Interest on investments and cash equivalents               | 2,049,492         | 4,277,059         |
| <b>Total Interest Income</b>                               | <b>48,762,712</b> | <b>50,875,814</b> |
| <b>Interest Expense</b>                                    |                   |                   |
| Dividends on Members' share accounts                       | 7,506,177         | 8,764,039         |
| Interest on borrowed funds                                 | 105,117           | 1,142,203         |
| <b>Total Interest Expense</b>                              | <b>7,611,294</b>  | <b>9,906,242</b>  |
| <b>Net Interest Income</b>                                 | <b>41,151,418</b> | <b>40,969,573</b> |
| <b>Provision for Loan Losses</b>                           | <b>7,895,540</b>  | <b>6,738,928</b>  |
| <b>Net interest income after provision for loan losses</b> | <b>33,255,878</b> | <b>34,230,645</b> |
| <b>Non-interest Income</b>                                 |                   |                   |
| Fees and charges   | 8,944,331         | 9,316,227         |
| Other operating/non-operating income                       | 12,912,259        | 11,044,427        |
| <b>Total Non-Interest Income</b>                           | <b>21,856,590</b> | <b>20,360,654</b> |
| <b>Non-Interest Expense</b>                                |                   |                   |
| Compensation and benefits                                  | 25,119,414        | 24,515,574        |
| Other expense  | 21,948,837        | 21,722,722        |
| <b>Total Non-Interest Expense</b>                          | <b>47,068,251</b> | <b>46,238,296</b> |
| <b>Net Income</b>  | <b>8,044,217</b>  | <b>8,353,003</b>  |

## Consolidated Statement of Members' Equity

As of December 31, 2020

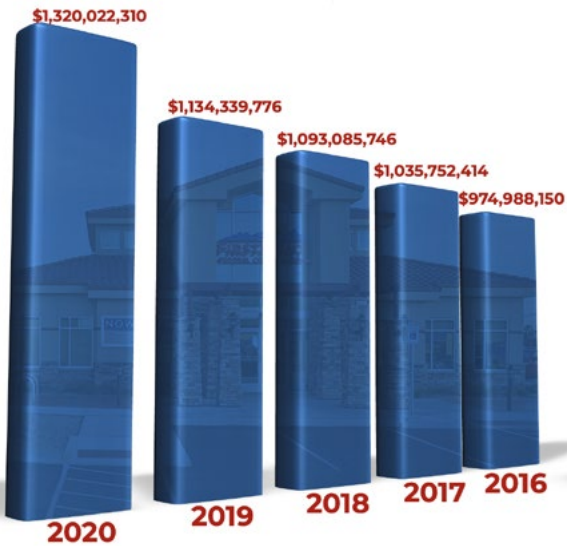
|                                    | Regular Reserves | Undivided Earnings | Accumulated Other Comprehensive Income (Loss) | Total              |
|------------------------------------|------------------|--------------------|---|--------------------|
| Balance - December 31, 2019        | 5,996,721        | 98,725,787         | 29,089  | 104,751,597        |
| Net Income                         |                  | 8,044,217          | -   | 8,044,217          |
| Other Comprehensive Income         |                  | -                  | 78,059  | 78,059             |
| <b>Balance - December 31, 2020</b> | <b>5,996,721</b> | <b>106,770,004</b> | <b>107,148</b>                                | <b>112,873,871</b> |

This financial data presented in this Annual Report as of December 31, 2020 is unaudited, however, the CPA firm of CliftonLarsonAllen conducted an audit at the credit union as of June 30, 2020.

# Growth Trends 2020



## Total Assets



## Total Loans



## Total Shares



## Total Reserves & Undivided Earnings



# Leo E. Ziegler Employee of the Year Award-2020



Luis Marquez was fundamental in the development and launch of the FirstLight Rewards program. The flagship program was created and developed in-house and involved a dedicated team involving all areas of the organization. Luis took ownership of over 40 key development features of the FirstLight Rewards Program. His knowledge and commitment throughout the entire process was unwavering and served as an example to the entire credit union of the organization's core values. In addition, Luis truly demonstrated his conviction in a positive member experience. He intuitively combined program specifications with design and truly believes in the total member experience from beginning to end. FirstLight is proud to have Luis Marquez as an exemplary employee who exhibits the organization's core values through his daily interactions and duties. We thank him for his service to the organization and look forward to his future opportunities.



As COVID-19 began to effect the lives of our families and members alike, our employees continued to find additional ways to provide necessary services to those in need. Andrew was no exception and found a resolution for a couple in the midst of a home refinance. During a time of uncertainty, a retired couple found themselves unable to visit a branch in person and unable to utilize the electronic alternatives. Andrew provided peace of mind for the members by visiting their house throughout the process and conducted face to face meetings in their front yard, through a window with cell phones. He was quick to understand the importance of the face to face interaction during such an important process and found a creative solution for all. His sincere desire to assist members achieve their dreams prompted him to think outside of the box and take action! He created a positive member experience during a challenging time. Not only is FirstLight proud to have Andrew Vallejo a part of their team, Andrew has gained immeasurable trust through his actions. Thank you Andrew for living the FirstLight mission of "Improving Lives, Achieving Dreams"!

## Our Core Values





# Community Impact for 2020

Since 2015, The FirstLight Community Foundation has made a difference in the very communities we serve—El Paso, Fort Bliss, and Las Cruces Communities—by providing scholarship opportunities to graduating seniors and moreover, a partner to in the community to enhance financial education.

# 14

## Scholarships

### Community Foundation Board

Jaime Medina  
Karl Murphy  
Carlos Guzman

Mica Short  
Miguel Cheng-Guajardo

“ In 2020, our proud foundation provided 14 scholarships to deserving students—students continuing education from UTEP to Yale. ”

## WHAT WE DO



### WE Cultivate

We partner with local schools, universities, trade and technical schools to provide financial in-person or virtual financial education.



### WE Collaborate

Through outreach programs, we work with community and non-profit organizations to build confidence.



### WE Empower

Through grantmaking, member contributions, and the generosity of the community, we provide educational scholarships to our servicing school districts in El Paso, Ft. Bliss, and Las Cruces communities.

## WHY WE DO IT—OUR MISSION

To elevate individual and community financial wellness.

**Through our people, our community, and our industry partners, our Foundation wants to:**

- ▶ Cultivate new relationships
- ▶ Collaborate with students, administrators, business owners and nonprofits
- ▶ Empower our community to enrich their financial lives

We believe we have a social responsibility to elevate financial literacy/education efforts in our communities. We strive to:

- ▶ Inspire social change via diversity, equity, and inclusion in what we do
- ▶ Find new and alternative ways to promote financial education in our serving communities
- ▶ Work with schools and nonprofits alike... being part of the discussion and framework to build our communities financial well-being

The foundation delivered countless financial education seminars to local school districts and non-profit. Even better, supported tremendous community causes like The Great Khalid Foundation's Back to School Backpack program, Thanksgiving Giveaway, and Christmas with Khalid throughout 2020.

The combination of financial education and community service positively impacted thousands of community residents—and we're excited to build on this momentum to serve more (and more) with your continued support.

For information on how you can help, visit [FirstLightFCU.org/Community-Foundation](https://FirstLightFCU.org/Community-Foundation)

## Did you know?

Our leadership supports our Community Foundation mission. Employees across the organization serve in leadership positions on nearly 20 boards across our communities.

**KARL T. MURPHY**  
President/CEO



*El Paso Chamber of Commerce*  
Board of Directors

**JUDY DEHARO**  
Chief Lending Officer



*USO El Paso*  
Board of Directors

**MARGIE SALAZAR**  
Chief Financial Officer



*YMCA of El Paso*  
Board of Directors

**AARON BELDNER**  
Chief Information Officer



*Bridges Academy*  
Board of Directors

**JIM HUFF**  
Chief Retail Officer



*Boys Scouts of America, YUCCA Council*  
Council Commissioner





# 2020 Community Foundation Scholarship Winners

*FirsLight would like to congratulate the scholarship winners for 2020!*



Alejandra Lopez



Claudia Guillen



Isabella Morales



Jaclyn Terrazas



Johnny Torres



Lauren Barnes



Nicole Poissant



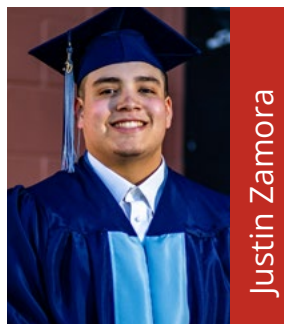
Phillip Padilla



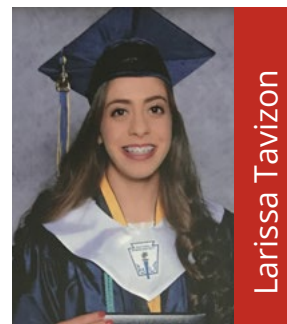
Danielle Gomez



Heather Heck



Justin Zamora



Larissa Tavizon



Mara Marquez



Ricardo Duran



# BRANCHES

## NEW MEXICO

- Del Rey Branch** | 3105 Del Rey Blvd
- Foster Branch** | 300 East Foster Rd
- Lohman Branch** | 3791 E. Loman Ave

## TEXAS

- East Fort Bliss Branch** | 20727 Constitution Ave
- Kenworthy Branch** | 9993 Kenworthy St
- Lee Trevino Branch** | 1555 N. Lee Trevino Dr
- North Desert Branch** | 5050 N. Desert Blvd
- Pike Branch** | 1635 Pike Rd
- Texas Tech Virtual Branch** | 137 Rick Francis St
- Zaragoza Branch** | 2200 N Zaragoza Rd
- William Beaumont Medical Center Branch** | 5005 N. Piedras St