

EDUCATION FIRST
FEDERAL CREDIT UNION



2021

The logo features the year '2021' in a bold, sans-serif font. The '20' and '21' are rendered in a vibrant green color, while the 'e' is a bright orange. The numbers are set against a dark grey background. Below the '20' and '21' are horizontal bars in a magenta color. The overall design is modern and geometric.

ANNUAL
REPORT

EDUCATION FIRST
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REPORT

BOARD OF DIRECTORS

MR. CHARLES T. STARCKE, *Chairman*

MR. CHRIS W. BUSCH, *Vice Chairman*

MRS. SHIRLENE S. COOK, *Treasurer*

DR. LULA HENRY, *Secretary*

MS. MARIAN G. PEKAR • MR. SCOTT CAMPBELL

DR. STEVE HYDEN • DR. STEVE JENKINS

MRS. DEBORAH A. SCROGGINS

SUPERVISORY COMMITTEE

MR. MATT E. STAWSER, *Chairman*

MR. PHILIP E. BROOKS • MS. LISA H. LAFOSSE

MR. CHRIS W. BUSCH • MR. ANTHONY PAPA



Welcome to the 70th Annual meeting of Education First FCU. I commend you all for taking a proactive interest in your credit union. You know, you're one of the most influential people in the credit union industry: a member-owner. Your initial deposit was your share in Education First, and that share empowers your voice.

As you will see in the Annual Report, Education First performed exceptionally well in 2021. Our assets continue to grow, which is one of the primary indicators of how well our members receive the products and services we offer. We ended 2021 with assets exceeding \$538 million.

Education First continues to be a well-capitalized financial institution, with a strong net worth ratio of 9.97 percent. To put that in perspective, a net worth position above 7 percent is considered well-capitalized by our regulators.

Community involvement is just one thing that makes credit unions different from other financial institutions. Some of the things that embodied our commitment to the community during 2021 include:

- **Our employees volunteered over 715 hours of their own time to organizations across Southeast Texas.**
- **Our employees also gave back to two deserving recipients through the Blue Jean Friday Fund, The Shorkey Center and Homer Drive Elementary school. Donations to these organizations totaled over \$13,000.**
- **128 local K-12 schools in Southeast Texas were also the recipients of more than \$48,000 through the We're Paying it Forward program. The program has more than tripled since its inception in 2014.**
- **Education First was also proud to partner with Lamar University to support the NEST program by sponsoring the \$15,000 build of a Cardinal Nest at Guess Elementary School.**

I'd like to recognize my fellow board members for their dedication to this credit union. United in leadership, we are responsible for ensuring your credit union has a capable, qualified, and transparent management team, and I can say without hesitation that we do. The strength of this board's commitment to the highest governance and management standards is integral to Education First's well-being, sustainability, and prosperity.

Further, we have made a change to our Board of Directors. We want to thank outgoing board member Dr. Hubert Monroe who served as Vice-Chairman. He served the credit union for 19 years on the Board of Directors and the Supervisory Committee. Mr. Chris W. Busch, who has served on the board for many years, has now taken on the role of Vice-Chairman. Through our credit union election this year, I am pleased to welcome Ms. Marian G. Pekar to the Board of Directors; she previously served on the Supervisory Committee since 2018.

Please indulge me while I take a moment to express my most resounding confidence in the leadership of Kevin Conn, President and CEO, the wisdom and guidance of our esteemed board of directors, the commitment of our dedicated staff, and the support and loyalty of our member-owners. We are confident about our future because, as these last two years have shown, Education First is well positioned to face any challenge and seize any opportunity that presents itself in 2022.



Every person in America and every financial institution has had to face the challenges of the COVID-19 pandemic for the past two years. Your health and safety, and the health and safety of our staff, were vital to us while ensuring you had access to your money and our full array of services whenever you needed them.

As your financial first responder, your credit union went to great lengths to help members and our community through the most challenging two years in modern times because that's what we're here for - your financial well-being.

Your credit union continues its steady trajectory forward and upward from a business perspective, with our focus finely tuned to the things that matter to our members. We ended 2021 with 32,520 members, over \$538 million in assets, an increase over 2020 of eleven percent.

We are proud of how far we've come, and I know our many accomplishments would not have been possible without the ongoing energy, optimism, commitment, and servant's hearts of everyone involved in the operation of this credit union. Because of the work we've all done together, this credit union is doing very well, despite the pandemic and certain lingering economic challenges.

With the continued success of Education First, we're able to offer beneficial savings and wealth-building tools and other financial products and services that enhance your life. That is why in 2021, we updated our core operating system.

The decision to upgrade was made to continue to provide you with safe, secure products and services, all while utilizing the newest technology. This was a significant undertaking for everyone involved, from our staff to our leadership and you, our members. Our membership was impacted for two business days during the conversion process, but I am pleased to say the transition was a smooth one.

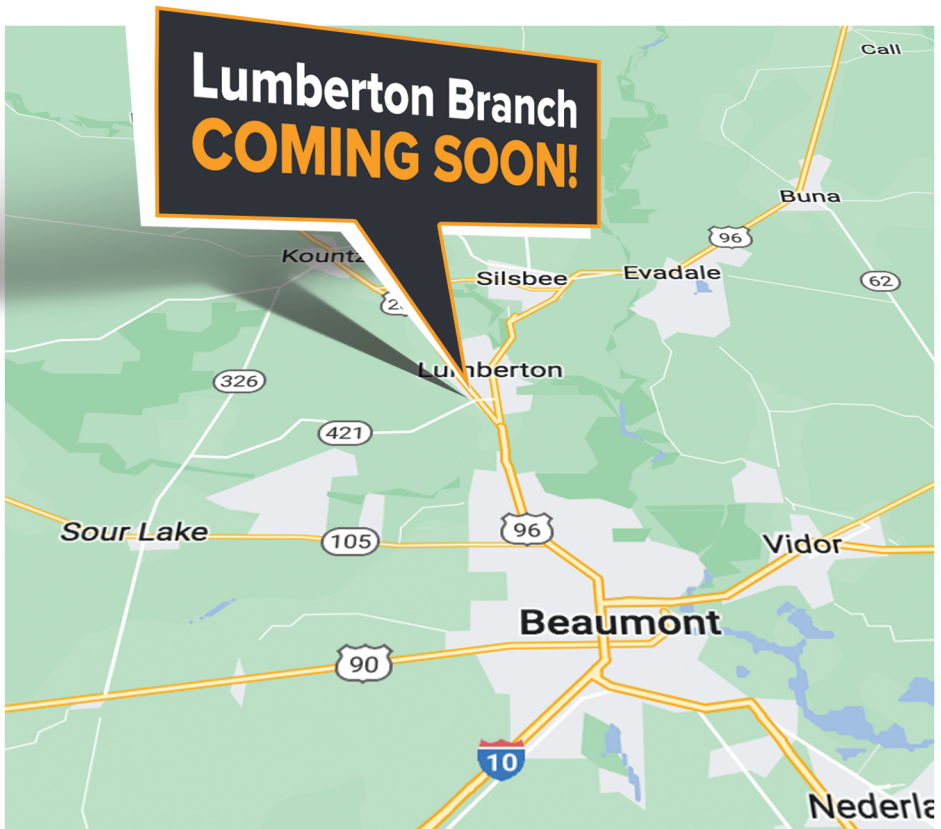
Some of the new technology we were able to implement included a new and updated online banking platform and mobile app that features secure messaging allowing members to chat securely about sensitive account information, iThrive, our new financial management tool, and a new bill pay system.

In 2021, our leadership team also focused on expanding our physical footprint. That growth has been most visible with the recent addition of a new ATM in Winnie and land purchase in Lumberton. Construction will start on the Lumberton branch location in 2023. We are also excited that construction on the Lamar branch remodel began in January of 2022. This complete remodel will result in a fresh look, expanded services and the latest technology.

As we navigate the challenges of 2022, we promise that Education First will continue to grow responsibly while listening and responding to your needs. As our member-owners, you are integral to our credit union family, and we are sincerely grateful that you've chosen Education First as your financial partner. We wish you a healthy and prosperous 2022.

Independent of the Board, the Supervisory Committee provides a comprehensive audit each year to determine compliance with generally accepted accounting principles and to evaluate internal controls. Our 2021 audit was conducted by CliftonLarsonAllen L.L.P., and their findings indicate that Education First's financial statements are properly prepared and accurately reflect the financial position of the credit union. Your credit union continues to be a very sound financial institution, and your best place to borrow and save.

WE ARE GROWING TO SERVE YOU.





COMPARATIVE STATEMENT OF CONDITION

ASSETS	2020	2021
Total Loans	252,303,348	292,692,819
Less: Allowance For Loan Losses	-1,495,132	-1,447,519
Cash On Hand & In Bank	75,746,060	29,877,410
Total Investments	113,097,954	173,387,477
Land & Building	16,645,355	17,525,574
Other Fixed Assets	2,187,240	2,417,501
Other Assets	19,213,846	24,534,685
Total Assets	477,698,673	538,987,947
LIABILITIES & EQUITY		
Notes Payable	0	5,000,000
Dividends & Interest Payable	187,299	240
Accounts Payable & Other Liabilities	3,398,960	8,448,996
Total Shares & Deposits	434,192,825	480,700,612
Regular Reserves	5,877,122	5,877,122
Accum Gains/Losses on Pension Plan	-10,941,024	-8,886,781
Undivided Earnings	44,983,490	47,847,758
Total Liabilities & Equity	477,698,673	538,987,947
INCOME		
Interest On Loans	12,832,336	12,987,965
Income From Investments	2,683,642	2,545,069
Other Operating Income	9,027,305	11,603,270
Total Income	24,543,283	27,136,304
EXPENSES		
Compensation & Benefits	10,283,958	11,011,006
Travel & Conference	105,265	127,381
Office Occupancy	1,494,676	1,546,627
Office Operations	5,224,155	6,055,175
Education & Promotion	457,579	738,665
Loan Servicing	910,037	952,022
Professional & Outside	842,202	901,983
Provision For Loan Losses	1,180,000	734,436
Member Insurance	7,958	4,316
Operating Fees	114,546	101,997
Miscellaneous Expenses	108,196	159,355
Total Operating Expenses	20,728,577	22,332,963
Dividend & Interest Expense	2,397,370	1,939,073
Net Income	1,417,335	2,864,268



Education First

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