

EDUCATION FIRST
FEDERAL CREDIT UNION

2023

A large, stylized graphic of the year '2023' is centered on the page. The numbers are white with a dark blue shadow. The '0' has a vertical purple oval inside. The '3' is filled with a light green color. The graphic is positioned over a horizontal line that separates a dark blue upper section from an orange lower section.

ANNUAL REPORT



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BOARD OF DIRECTORS

MR. CHRIS W. BUSCH, *Chairman*

DR. LULA HENRY, *Vice Chairman*

MR. SCOTT CAMPBELL, *Treasurer*

MRS. SHIRLENE S. COOK, *Secretary*

DR. STEVE HYDEN

MS. MARIAN G. PEKAR

DR. STEVE JENKINS

MRS. DEBORAH A. SCROGGINS

MS. LISA H. LAFOSEE

SUPERVISORY COMMITTEE

MR. MATT E. STRAWSER, *Chairman*

DR. LULA HENRY

MR. ANTHONY PAPA



Welcome to the 72nd annual meeting of Education First FCU. We are delighted to have you all here today. Our success hinges on the proactive interest and involvement of our valued member-owners, and we sincerely appreciate each and every one of you for prioritizing our credit union.

As we continue to navigate through the ever-changing economic landscape, Education First continues to perform quite well, as we will see in the Annual Report for the year 2023. Let's look at a few highlights:

- One of the primary indicators of how well our members are receiving the products and services we offer is our growth in assets and membership. Our current assets are \$628 million, an increase over 2022 of \$32 million.
- Education First continues to be a well-capitalized financial institution, with a strong net worth ratio of 8.84 percent. To put that in perspective, a net worth position above 7 percent is considered well-capitalized by our regulators.
- You, the member-owners of this institution, have borrowed \$99,262,710.68, which added more than 6,273 new loans in 2023. Thank you for trusting us for your lending needs!

As your local, hometown credit union, we are also dedicated to being visible and involved in our local community. Below are a few highlights of our involvement and support last year:

- We donated over \$44,500 to local k-12 schools through our Paying it Forward bringing the programs aggregate total to over \$400,000.
- Revamped our Blue Jean Friday Fund into a grant program, amplifying its outreach and impact. In its inaugural year, we received an impressive 65 applications from local non-profit agencies. Education First FCU proudly awarded three \$4,500 grants to deserving organizations: Boys' Haven, Hope Women's Resource Clinic, and Southeast Texas Food Bank. Notably, the grant program continues to be fully funded by the dedicated employees of EFFCU.
- Our employees dedicated an impressive 1,513 hours to the VIP program, setting a new record for volunteer hours since its establishment in 2015.

I extend my sincere appreciation to my esteemed colleagues on the board for their unwavering dedication to our credit union. Together, we lead with unity to ensure that Education First has a skilled, competent, and transparent management team in place. I have full confidence in the board's steadfast commitment to upholding the highest standards of governance and management, which are crucial to the well-being, sustainability, and success of Education First.

We want to thank outgoing board member Mr. Charles T. Starcke who served for 34 years and will be honored with the Director Emeritus Award.

Over the past few years, we have navigated through various changes and challenges, demonstrating our collective ability to overcome any obstacles and seize new opportunities that come our way in 2024.



The credit union industry stands out for its unique structure, where you are not just a member but also owners, making us directly accountable to you. Thank you for actively participating in the decisions that shape your local credit union!

In the year 2023, we marked significant milestones, such as:

- Breaking ground for the cutting-edge Lumberton Branch, which opened its doors in February and happens to be the location of this meeting.
- We unveiled a fresh, user-friendly website in March.
- We partnered with Zogo, a gamified financial literacy app that rewards members for completing bite-sized financial literacy lessons. This collaboration extends not only to our members but also reaches high school students through the Zogo Classroom Portal.
- Broadened our mortgage services by introducing interim construction loans.
- Relocated our Woodville Branch to a newly renovated and modernized space in December.
- Grew over \$32 million in assets!

With total assets now exceeding \$628 million, our growth in 2023 alone surpassed \$32 million. This remarkable progress is fueled by our commitment to assisting members like you in achieving financial goals, whether it's buying a home, a car, or funding education. Unlike traditional banks, as a not-for-profit institution, we reinvest our profits back into the credit union, ensuring a secure environment to grow your wealth and access affordable lending options.

Despite the positive strides in the economy, challenges persist, prompting the financial industry to innovate and streamline processes. Education First remains committed to understanding your needs and providing solutions to guide you through these evolving circumstances.

Adapting to the demands of the current economy and embracing digital advancements are key priorities for us as we strive to evolve into a more dynamic and member-centric institution. Your active involvement and feedback are essential to our success, and we are genuinely grateful that you have chosen Education First as your trusted financial partner.

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 2023 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.

DIRECTOR EMERITUS AWARD

Mr. Charles T. Starcke



The Board of Directors is honored to award Mr. Charles T. Starcke with the Director Emeritus Award for his dedication and leadership of Education First FCU. Mr. Starcke served on the Board of Directors for over 22 years; and served on the Supervisory Committee for over 12 years with a combined total of serving EFFCU for over 34 years.





ASSETS	2022	2023
Total Loans	358,357,277	394,203,132
Less: Allowance For Loan Losses	(1,774,510)	(3,644,996)
Cash On Hand & In Bank	25,773,346	14,627,858
Total Investments	166,617,952	164,747,882
Land & Building	19,667,247	19,010,624
Other Fixed Assets	2,878,811	12,339,991
Other Assets	24,274,141	27,408,536
Total Assets	595,794,265	628,693,027
LIABILITIES & EQUITY		
Notes Payable	43,129,932	62,518,800
Dividends & Interest Payable	240	0
Accounts Payable & Other Liabilities	6,403,832	4,657,012
Total Shares & Deposits	518,443,024	529,362,039
Regular Reserves	-	-
Accum Gains/Losses on Pension Plan/AFS Securities	(27,689,349)	(17,868,104)
Undivided Earnings	55,506,585	50,023,280
Total Liabilities & Equity	595,794,265	628,693,027
INCOME		
Interest On Loans	14,731,611	19,975,655
Income From Investments	3,653,001	6,491,657
Other Operating Income	10,741,650	8,754,339
Total Income	29,126,262	35,221,651
EXPENSES		
Compensation & Benefits	11,426,356	12,211,095
Travel & Conference	308,447	251,336
Office Occupancy	1,737,152	1,861,176
Office Operations	5,905,815	6,009,339
Education & Promotion	647,038	678,169
Loan Servicing	1,109,856	1,438,254
Professional & Outside	887,873	851,689
Provision For Loan Losses	1,695,423	1,907,512
Member Insurance	11,407	12,516
Operating Fees	88,262	90,061
Miscellaneous Expenses	283,068	243,631
Total Operating Expenses	24,100,698	25,554,778
Dividend & Interest Expense	3,243,860	9,428,508
Net Income	1,781,704	238,365



Education First

— FEDERAL CREDIT UNION —

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