



EduCation
credit union

Learn More. Live More.®



CONNECTED OPPORTUNITIES ADVANCEMENT Great
Teamwork **EMPOWERING** HELPFUL
NOMINAL Awesome
LOCAL Considerate POSITIVITY Support AUTHENTIC
LEARN DEPENDABLE
Stable COLLEGE SECURITY Rich Community
RELIABLE Community Happy Service **GROWTH**

MAKING THE GRADE

2021 Annual Report

Board of Directors:

Daniel Coward, Chairman of the Board, Place 7, Term Expires 2022

Linda Purdy, Vice Chairman, Place 6, Term Expires 2024

Kel Spradling, Secretary, Place 9, Term Expires 2022

Leonida Cleveland, Treasurer, Place 5, Term Expires 2024

Duane Chapman, Director, Place 2, Term Expires 2023

Jimmy Marrs, Director, Place 3, Term Expires 2023

Cody Myers, Director, Place 1, Term Expires 2023

Buddy Stephens, Director, Place 4, Term Expires 2024

Steve West, Director, Place 8, Term Expires 2022 (Formerly held by Jody Richardson)

John Lemons, Emeritus Director

Ken Carriere, Advisory Board Member

Ray Cogburn, Advisory Board Member

Joe Rogers, Advisory Board Member

Executive Team:

Eric Jenkins, Chief Executive Officer/President

Claudia Burkett, Executive Vice President/President of Canyon Market

(Formerly Executive Vice President/COO)

Marcus Smith, Chief Financial Officer

Adrian Alejandro, Senior Vice President of Lending (New Position)

Jacque Bagot, Senior Vice President of Information Systems

Johnny Harris, Senior Vice President of Retail Operations

(Formerly Vice President of Branch Operations)

Lindsey Murphy, Senior Vice President of Marketing and Business Development

(Formerly Vice President of Marketing)



Operational Management:

Sarah Aaron, Director of Loan Servicing

Beth Ashe, Vice President of Member Experience

Gypsy Austin, Centralized Underwriting Manager (*New Position*)

Tricia Bass, Vice President of Learning and Staff Development

Melissa Durling, Vice President of Human Resources

Becky Gabhart, Vice President of Quality Assurance

Marcus Glass, Vice President of Operations (*Formerly Vice President of Payments*)

Amy Hamilton, Vice President of Lending

Cassandra Hirschler, Accounting Manager

Haley Pate, Executive Assistant

Jennifer Ufford, Compliance Officer

Products & Services Additions:

Extra Credit Line of Credit

\$mart Checking Account

Services & Products No Longer Offered:

Qwik Cash Line of Credit

Share Secured Visa® Credit Card

Golden Apple Checking Account

Red Apple Checking Account

Golden Red Apple Checking Account

18-Month CDs





Daniel Coward, Chairman

2021 was a year of significant growth for Education Credit Union. Our Core Values are centered on providing superior member service, ensuring financial stability, and a commitment to improving the communities we serve. On behalf of your Board of Directors, I'm proud to report the credit union remained true to those values during the year, even as we managed thru the continued spread of COVID. Despite the challenges presented by the pandemic, ECU created considerable value for our member-owners and the communities in which we are privileged to serve.

ECU's total assets grew by more than \$40 Million to a new high of \$372 million. This level of growth is a direct result of the confidence our members have in the credit union and the exceptional service our team members provide. Additionally, ECU supported numerous community events and invested heavily into local school districts. The best example of these investments is our Pocket Change Program, which funds requests from teachers for classroom expenses that aren't covered by normal funding. I am very pleased to share that in 2021, ECU funded almost \$150K of Pocket Change Grants to over 300 teachers!

As a member-owner of ECU, you can be confident that your credit union is financially strong, led by talented and dedicated professionals, committed to meeting your financial needs, and creating value for you. Thank you for being a member.

Daniel Coward



Eric Jenkins, CEO

As I think back over 2021, I can't help but feel a tremendous sense of pride in the accomplishments of Education Credit Union. Thanks to the strategic guidance of our Board of Directors and the dedication of our team members, ECU once again experienced significant growth across all of our business lines. This growth resulted in new all-time highs for loans, deposits, and assets.

While we are very pleased with the financial success of the credit union, it's the non-financial accomplishments of ECU about which we are most excited about. ECU success has enabled us to reinvest directly into the classrooms of the school districts we serve. One of the most exciting examples of this was crossing the half-a-million dollar milestone in total donations from our Pocket Change Grant to teachers in our area. This represents a substantial investment in the school districts we serve. Additionally, we announced a new partnership with the AmTech Career Academy, which will result in the creation of a 'student-led' ECU branch. These AISD students will be receiving high school credit and also be paid team members of the credit union. These are just two examples of the ways your credit union is creating value for the communities in which we serve.

Thank you for your membership and for trusting Education Credit Union to meet your financial needs. We will never take it for granted and commit to being wise fiduciaries of your financial resources you've entrusted to ECU. Learn More, Love More.

A handwritten signature of Eric Jenkins in black ink, written over a background of various words and phrases.

STATEMENT OF FINANCIAL CONDITION

ASSETS

| | December 2021 |
|---|----------------------|
| Loans, Net of Allowance for Loan Losses | \$297,374,449 |
| Cash | \$20,466,093 |
| Receivables | \$83,430 |
| Accrued Income | \$1,008,753 |
| Investments | \$20,253,820 |
| Prepaid and Deferred Charges | \$1,078,556 |
| Fixed Assets, Net of Accumulated Depreciation | \$15,200,571 |
| All Other Assets | \$17,455,921 |
| Total Assets | \$372,921,593 |

LIABILITIES

| | |
|--------------------------|---------------------|
| Dividends Payable | \$681,403 |
| Accounts Payable | \$1,379,971 |
| Accrued Expenses | \$1,130,294 |
| Other Liabilities | \$13,347,394 |
| Total Liabilities | \$16,539,062 |

SHARES, DEPOSITS, AND EQUITY

| | |
|-----------------------------------|----------------------|
| Shares | \$114,745,035 |
| Certificates and Deposit Accounts | \$196,209,884 |
| Total Shares and Deposits | \$310,954,919 |

EQUITY

| | |
|---------------------------------------|----------------------|
| Reserves and Retained Earnings | \$45,383,231 |
| Unrealized Gain/(Loss) on Investments | \$44,382 |
| Total Equity | \$45,427,613 |
| Total Liabilities and Equity | \$372,921,593 |

STATEMENT OF INCOME AND EXPENSE

| INCOME | December 2021 |
|--------------------------------|---------------------|
| Interest on Loans | \$15,602,406 |
| Interest from Investments | \$234,970 |
| Fee Income | \$3,093,247 |
| Operating Income | \$6,016,950 |
| Non-Operating Income (Expense) | |
| Total Income | \$24,947,573 |

| EXPENSES | |
|---------------------------------------|---------------------|
| Salaries and Employee Benefits | \$9,824,247 |
| Operating Expenses | \$8,625,485 |
| Total Operating Expenses | \$18,449,732 |
| Provision for Loan Losses | \$1,396,468 |
| Income Before Dividends and Interest | |
| Interest on Borrowed Money | \$87,600 |
| Dividends on Shares | \$12,097 |
| Interest on Certificates and Deposits | \$1,133,508 |
| Net Income | \$3,960,020 |

MEMBERS

| | |
|----------------------|---------------|
| Total Members | 30,851 |
|----------------------|---------------|

AUDITOR'S REPORT



CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITORS' REPORT

To the Officials
Education Credit Union

We have audited the accompanying financial statements of Education Credit Union, which comprise the statements of financial condition as of June 30, 2021 and 2020, the related statements of income, comprehensive income, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of Education Credit Union as of June 30, 2021 and 2020 and the results of its operations and its cash flow for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Amarillo, Texas
October 1, 2021



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TELEPHONE (ALL BRANCHES)

Main: 806-358-7777 • 800-687-8144

TOUCHTONE TELLER

806-358-2776 • 866-415-0164

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