

20 23

ANNUAL REPORT

*Celebrating
90 Years of
Serving Our
Members and
the Community
1934-2024*



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BOARD CHAIR AND PRESIDENT/CEO REPORT

On April 21, 2024, EECU celebrated its 90th anniversary. In 1934, the country was in the midst of The Great Depression. That same year, President Franklin Roosevelt signed the landmark Federal Credit Union Act into law, which opened the door for credit unions to form and help the average person obtain credit more easily.

Nine teachers and administrators in the Fresno area saw an opportunity to help their fellow educators. They met and discussed forming a credit union to grant small loans to help their co-workers make ends meet, and on April 21, 1934, Fresno Teachers Credit Union (FTCU) was chartered. Ninety years later, EECU is the largest credit union based in the central San Joaquin Valley, serving more than 370,000 members with over \$4.7 billion in assets.

EECU is a trusted source for safe and affordable financial services. Over the years, we have continually made investments in expanding our physical locations, enhancing our online technologies, amplifying our financial wellness education program, and adding new products and services that help you simplify your life and improve your financial well-being. When you bank with EECU, you are part of a cooperative that is strengthened when we all work together toward a common goal of improving lives. Your success is our success.

We introduced our new Right Start checking account in spring 2023. The account has no monthly fee, no checks, and no overdraft fees – an attractive option for a young person establishing their first checking account, someone who is reestablishing a checking account relationship, and those who are unbanked. The account is Bank On certified through the national nonprofit organization Cities for Financial Empowerment Fund that works to ensure that everyone has access to a safe, affordable, transactional banking account.

Attracting new members and strengthening relationships with our existing ones is essential for our continued growth and success. We expanded our membership eligibility qualifications last year to include the employees of the City of Fresno, and we remain steadfast in our commitment to continue meeting the needs of our growing membership. Our Paso Robles branch opened in June 2023, providing the convenience and full service our members expect from us. We also completed construction on a new mobile branch that will travel to select cities in the communities we serve and provide convenient access to teller and ATM services as well as new accounts and loans, particularly in areas without a local branch office.

We introduced Voice Verification to increase efficiencies and provide a better member experience when calling us. Members have the option to enroll in the service and bypass security questions and account passwords by creating a “voiceprint” that is unique to them. Since its introduction, more than 32,000 members have enrolled in the service, which speeds up the verification process so they can get right to the reason for their call.

EECU was again selected as the Best Credit Union in *The Fresno Bee* Best of Central California The People’s Choice Awards, and for the first time we also received the Gold Award for auto loans and the Silver Award for home mortgage. This marks the 18th year in a row that we have received the Best Credit Union award and we are thankful to receive this recognition. We take great pride in serving our members and the community.

Times have certainly changed since we opened our doors in 1934, but our commitment to our members’ financial well-being remains the same. As we look to the future, we pause to commemorate our growth and success, and to thank our founding officials and managers for their vision, leadership and dedication. We also want to thank YOU – our loyal members – for trusting us to be your financial partner. After all, we wouldn’t be celebrating 90 years if it wasn’t for you!

We are excited about what we have accomplished together since 1934 and we look forward to serving our members and the community for another 90 years.

Walter A. Franzell, Chair, Board of Directors
Elizabeth J. Dooley, President/CEO

MINUTES OF THE ANNUAL MEETING OF THE MEMBERSHIP EDUCATIONAL EMPLOYEES CREDIT UNION

June 16, 2023

CALL TO ORDER

Elizabeth J. Dooley, President/CEO, welcomed everyone to EECU's virtual Annual Meeting. The meeting was broadcast from EECU's Operations Center, beginning at 1:30 p.m. She introduced herself and welcomed those who joined the meeting online. She thanked the members for their continued loyalty and trust in EECU.

PRESIDENT/CEO'S COMMENTS

President/CEO Dooley noted that since its founding in 1934, EECU has continued to be a source of strength and financial stability for its members through times of unpredictable economic uncertainty. EECU will always prioritize safety and soundness and doing what is best for its members.

EECU's strength lies in its not-for-profit, member-owned structure, which means that the focus is on serving members and not Wall Street or shareholders. By effectively managing its capital and liquidity, EECU is able to prepare for and withstand changes in the economy and continue providing the financial services and support that members need during good and bad times.

EECU's deposits are insured for up to \$250,000 per individual depositor, and credit union members have never lost a penny of insured savings at a federally insured credit union. EECU has served its members and the community for 89 years, and looks forward to serving future generations of EECU members.

President/CEO Dooley reported that in 2022, EECU ranked number three in California in Forbes' annual list of America's Best Credit Unions. Just 3.4 percent of credit unions in the country made the 2022 list.

The public has voted EECU the Best Credit Union for 17 consecutive years in The Fresno Bee Best of Central California *The People's Choice Awards*, and for nine consecutive years in The Business Journal Best of Central Valley Business Awards. President/CEO Dooley commended EECU's amazing team of employees and volunteer officials for always keeping people at the heart of every decision they make. The credit union wouldn't receive these awards without their efforts to deliver an exceptional member experience.

Thanks to the support of its members, EECU experienced record loan growth last year, despite a very challenging economy. Its membership also grew by 4.3 percent. EECU

welcomed the employees of the City of Fresno into its field of membership and also opened new branches to better serve members in areas where membership is growing.

EECU opened a branch in Porterville last September and a new branch in Paso Robles in early June. A new mobile branch will be in service later this summer, traveling to select cities in the communities EECU serves but does not currently have a branch, particularly in areas where the residents lack convenient access to a financial institution. Members will be assisted with teller transactions, opening new accounts and loans. The mobile branch will also have a full-service ATM.

EECU believes in the importance of building strong community ties, and one of the ways is by sponsoring numerous programs, events and organizations that enrich the community experience:

- Excellence in Education programs in six counties that annually celebrate the great work of teachers, administrators and school employees.
- Partnering with ABC30, Disney and First Book to provide more than 4,700 books to elementary schools in Fresno Unified School District as part of The Magic of Storytelling campaign.
- Events for the United Way of Central California, American Red Cross, Habitat for Humanity, Central California Food Bank, Boys & Girls Club, and many other organizations that work to uplift our community.

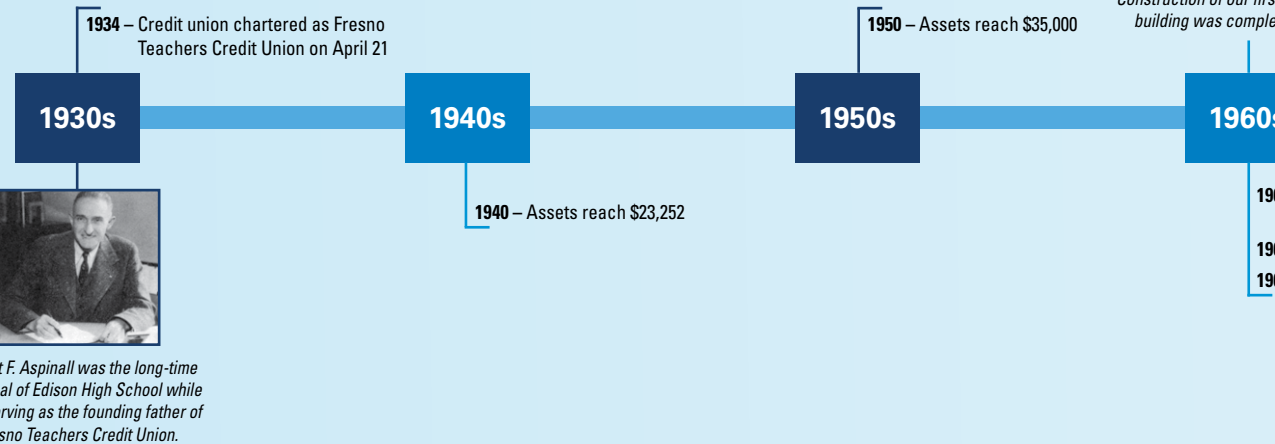
EECU employees also embody that commitment to community giving, including through:

- Volunteering their time at our local food bank and distributing food and clothing to the homeless.
- Raising money through raffles to fund donations to many organizations, including the Central California Food Bank, Wings Advocacy Fresno, and the Marjaree Mason Center.

President/CEO Dooley commended staff members for their team spirit and for serving EECU's members and the community.

President/CEO Dooley extended her thanks to EECU's volunteer officials for their commitment to giving back to the communities the credit union serves. The members of our Board of Directors, Supervisory Committee and the Associate Volunteer program are volunteers who provide direction and oversight to the credit union and work closely with the management team on policy setting and strategic planning.

EDUCATIONAL EMPLOYEES CREDIT UNION TIMELINE



President/CEO Dooley thanked everyone again for joining the meeting online and for their loyal membership. She introduced Walter Franzell, Chair of the Board.

BOARD CHAIR’S COMMENTS

Chair Franzell reported that as of year-end 2022, EECU had more than \$4.6 billion in assets. By asset size, EECU is the 80th largest credit union in the United States, the 14th largest in California, and the largest locally-based credit union in the central San Joaquin Valley.

EECU’s net worth increased from 10.37 percent at the end of 2021 to 11.55 percent by the end of 2022. The credit union’s asset size and net worth contribute to its overall financial strength, and enable it to keep pace with technology and regulatory compliance, maintaining a competitive edge in the financial services industry.

The current economic environment is putting a strain on some household budgets, and people are looking for ways to maximize their savings. When every penny counts, it’s important to get the best value for your money. EECU delivers value to its members by offering checking accounts with no monthly fee, lower fees than many other financial institutions, and competitive rates on savings and loans.

EECU posted 22 percent loan growth last year – the largest in its history – which indicates the value the credit union provides to its members and their trust and confidence in EECU.

EECU recently introduced a new checking account that helps members avoid paying overdraft fees. The Right Start Checking account has all the benefits of regular checking, without checks or overdraft protection. It’s a great option for people opening their first checking account or reestablishing a checking relationship.

EECU also provided much-needed financial assistance to members who were affected by the storms that battered California this past winter. Members were able to skip loan payments, increase the limit on their credit card, and take advantage of zero percent interest on certain loan types. When its members need help, EECU is here to lend a hand.

MEETING CALLED TO ORDER

Chair Franzell officially called the 2023 EECU Annual Meeting to order at 1:38 p.m. He stated the purpose of the meeting was to celebrate the success of the credit union, show appreciation to the members, and:

- Fulfill the requirement for an annual meeting of the membership;
- Present EECU’s Annual Report, including its financial statements;
- Report the election results;
- Approve the minutes of last year’s Annual Meeting; and,
- Recognize EECU’s student grant recipients.

Chair Franzell pointed out the link (myEECU.org/2023annualmeeting) for viewing EECU’s Annual Report, which contains the following items:

- A combined message from the President/CEO and the Chair of the Board of Directors;
- A message from the Supervisory Committee; and
- The unaudited Balance Sheet and Income Statement as of March 31, 2023.

Chair Franzell urged anyone with questions during the meeting to please email info@myEECU.org and they will receive a response within two business days.

Chair Franzell took a moment to acknowledge the passing of Cleo Bauer-Papagni, the Secretary of the Board of Directors. At the time of her passing in January of this year, she had just entered her 31st year as an EECU volunteer official and was one of the longest-serving volunteers in the credit union’s history, first as a member of the Supervisory Committee and later as a member of the Board of Directors. Cleo was a highly valued and respected member of the Board of Directors and the EECU family, and she is greatly missed.

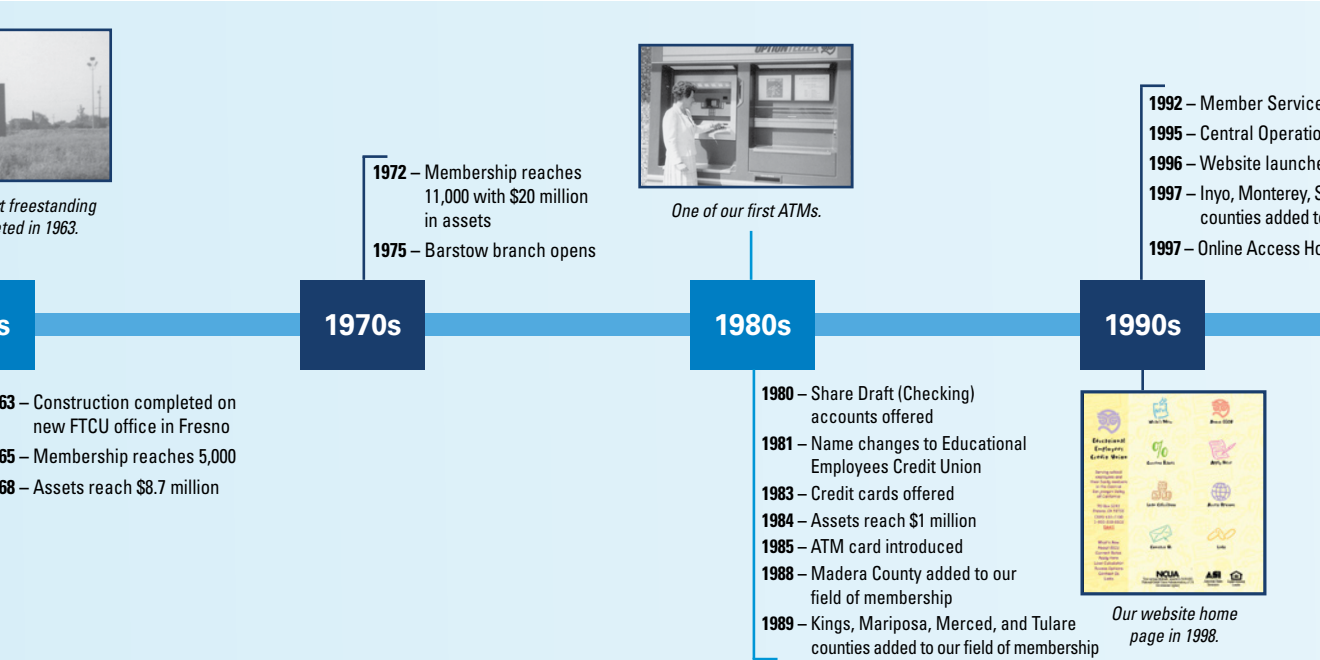
Chair Franzell recognized the volunteers who served on EECU’s 2022-2023 Supervisory Committee:

- William Clark, Chair;
- Brad Stevens, Secretary;
- Saeng Bunsy;
- Nikolaus De Jong; and
- Kathryn Ortega-Jones.

EECU’s 2022-2023 Board of Directors are:

- Ali Nekumanesh, Vice Chair;
- Lisa Cutts, Treasurer;
- Rick Browning;
- Phil Neufeld;
- David Roberts;
- Derek Scharton; and,
- Mike Snell.

Chair Franzell declared it was his honor and pleasure to serve as the Chair of EECU’s Board of Directors.



EECU has four Associate Volunteers:

- Molly Lao;
- Laurie Madden;
- Miguel Palomares; and,
- Darcy Williams.

EECU has three Emeritus Board members:

- Tom Borchardt;
- Paul Hokokian; and,
- Barbara Thomas.

EECU’s volunteer officials are members of the credit union who are elected by the membership and act in the members’ best interest. Unlike stockholders at a bank, our officials do not receive any financial compensation for their service. Member-owners of EECU have a share in the credit union and can vote to elect volunteer officials.

QUORUM

Chair Franzell declared that according to EECU’s Bylaws, a quorum of at least 25 members must be present to conduct the Annual Meeting. He confirmed that 25 members were present at EECU’s Operations Center, constituting a quorum.

APPROVAL OF MINUTES

Chair Franzell referred to the minutes of the last Annual Meeting on June 17, 2022, and noted that they may be found in the Annual Report available on EECU’s website. He asked for a motion from members attending in person to approve said minutes, noting that the makers of the motion must be EECU members.

ACTION

Mark Perez moved to approve the minutes of the Annual Meeting of the EECU membership held on June 17, 2022. The motion was seconded by Jeff Williams, voted on, and passed.

GRANT RECIPIENTS
Student Grant Program

Chair Franzell stated that EECU’s student grant program annually awards \$100,000 in grants to help students pay for education-related expenses. A link on EECU’s website lists the names of the student grant recipients. The recipients of this year’s grant program will each receive \$2,000 to assist with education expenses.

Since its inception in 2003, EECU’s member grant program has awarded more than \$1.7 million to 1,025 student members. EECU received 506 eligible grant applications last year and we

want to extend our thanks to the 46 member volunteers who read the applications and selected the 50 recipients.

Grant Program for Spouses and Dependents of Employees
In addition to our Member Grant Program, EECU also offers a grant program for the spouses and dependents of employees. Seven \$2,000 grants were awarded through this program as well.

On behalf of EECU, Chair Franzell offered his congratulations to all of the grant recipients.

ELECTION REPORT

Chair Franzell introduced Dick Ashjian, Senior Vice President (SVP) of Risk Management and an Inspector of Election, and asked him to give the Election Report.

SVP Ashjian explained that each year, EECU seeks volunteers from the membership to run for the Board of Directors and the Supervisory Committee. From November 2022 through January 2023, potential candidates were sought through various channels, including EECU’s newsletter, social media, and website. As a result of the nomination process, three members were nominated for the Board of Directors and one for the Supervisory Committee. As there were no challengers to the nominated candidates, the Board of Directors has declared that those nominated are elected without the need for an election.

- Elected to the Board of Directors for three-year terms:
- Phil Neufeld;
 - David Roberts; and,
 - Darcy Williams.

Brad Stevens was elected to the Supervisory Committee for a three-year term.

The Chair of the EECU Nomination and Election Committee and the inspectors of the election have now reported the results of this election, which was conducted in conformity with the provisions of applicable law and our bylaws.

Adjournment

With no further business on the agenda, Chair Franzell concluded the business meeting at 1:46 p.m. and thanked everyone for joining EECU’s virtual Annual Meeting.

Walter Franzell, Board Chair
Lisa Pontecorvo, Executive Secretary

Phone Center opens
Operations facility opens in Fresno
Branches open in
San Benito and San Luis Obispo
Expand to our field of membership
Online Banking introduced

2000s

- 2002 – Field of membership expands to include students and parents of students
- 2003 – Assets reach \$1 billion

2010s

- 2010 – Joined Facebook and Twitter
- 2012 – Mobile banking app launches
- 2018 – Assets reach \$3 billion
- 2019 – Kern and Stanislaus counties added to our field of membership



EECU mobile app login screen in 2012.

2020s

- 2021 – Assets reach \$4 billion
- 2023 – Membership exceeds 367,000
- 2023 – Loan portfolio reaches \$2 billion
- 2024 – EECU celebrates 90th anniversary on April 21

Balance Sheet

As of March 31, 2024

Assets

Member Loans	\$ 2,107,196,078
Allowance for Loan Losses	(26,440,543)
Deferred Loan Fees	8,049,273

Net Loans to Members **\$ 2,088,804,809**

Accrued Interest Receivable	\$ 11,480,140
Cash/Cash Equivalents	560,766,039
Investments	2,128,991,004
Unrealized Invest. Holding Gain (Loss)	(154,154,409)
Property and Equipment	25,347,429
NCUSIF	40,148,641
Other Assets	60,088,125

Total Assets **\$ 4,761,471,778**

Liabilities and Equity

Liabilities **\$ 160,106,229**

Regular Shares	2,177,050,202
I R A Shares	47,555,090
Special Share Certificates	835,339,448
I R A Certificates	113,977,415
Share Drafts	984,770,643

Total Member Liability **4,158,692,798**

Total Liabilities **\$ 4,318,799,027**

Retained Earnings	\$ 598,139,054
Unrealized Invest. Holding Gain (Loss)	(154,154,409)
Unrecognized Postretirement Gain (Loss)	(1,311,894)

Total Liabilities and Equity **\$ 4,761,471,778**

Income Statement

April 1, 2023 – March 31, 2024

Revenue

Income from Loans	\$ 93,225,045
Income from Investments	52,143,159
Fees and Charges	20,916,481
Miscellaneous Operating Income	46,227,215

Total Revenue **\$ 212,511,899**

Interest Expense

Dividend Expense	26,454,541
Interest Expense	4,287,945

Total Interest Expense **\$ 30,742,486**

Operating Expense

Employee Compensation and Benefits	\$ 49,061,876
Education and Development	667,760
Office Occupancy Expense	5,270,073
Office Operations Expense	18,433,886
Educational/Promotional	6,016,229
Loan Servicing Expense	17,605,444
Professional and Outside Services	9,932,208
Provision for Loan Losses	5,653,938
Miscellaneous Expense	1,019,142
Sundry Expense	2,490,335

Total Operating Expense **\$ 116,150,890**

Net Income **\$ 65,618,523**

A MESSAGE FROM THE SUPERVISORY COMMITTEE

The Supervisory Committee members are elected by EECU members. The Committee's primary responsibility is to work with management to engage an independent CPA firm to perform annual audits of the credit union's financial statements and verification of member accounts. Further, the Committee oversees and reviews the activities of the internal audit department, and works with state and federal regulators to ensure that the credit union's policies, procedures and internal controls are adequately designed to protect members' assets.

The Supervisory Committee reports that EECU continues to be a financially sound credit union and remains committed to ethical business practices, honesty, and financial integrity at every level.

The Committee retained the services of Moss Adams LLP, a national CPA firm, to perform the annual financial statement audit and verification of members' accounts. I am pleased to report that, in their opinion, the balance sheets and related statements of income fairly present, in all material respects, the financial position for EECU and conform with generally accepted accounting principles. Combined with periodic regulatory examinations and planned internal audits, members should feel confident that the credit union's financial performance and operations are regularly evaluated for safety and soundness.

We wish to express our appreciation to the Board of Directors, management and staff for their continued cooperation and diligence.

William Clark
Chair, Supervisory Committee



OUR COMMUNITY!



EECU sponsors excellence in education events in six different counties.



Eddie the Owl has a hoot hanging out with his friends!



Our staff puts their construction skills to work for Habitat for Humanity.



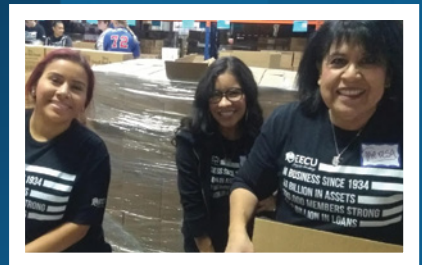
EECU's donation helps fund college scholarships.



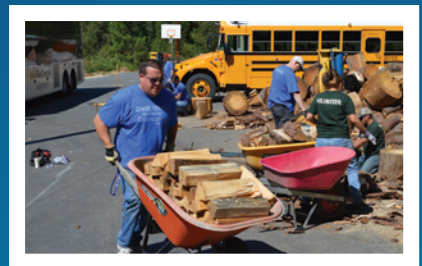
Our employees take to the streets to raise money for Valley Children's Hospital.



President/CEO Beth Dooley welcomes guests to our Sanger branch grand opening.



We enjoy helping sort food at the Central California Food Bank.



EECU employees participate in a clean-up day at Camp Green Meadows.



EECU's 22nd branch opened in Paso Robles in June 2023.



Mailing Address

P.O. Box 5242
Fresno, CA 93755

Toll-Free Nationwide

1-800-538-3328

Personal Telephone Access

1-800-649-4PTA (4782)

Website

myEECU.org

Branch Hours

Monday – Thursday
9 a.m. – 5 p.m.

Friday
10 a.m. – 6 p.m.

Clovis West branch

Monday – Friday 8:30 a.m. to 4:30 p.m.

Member Service Center Hours

Monday – Friday
7 a.m. – 7 p.m.

Saturday
9 a.m. – 1 p.m.

Branch Locations

Clovis	Porterville
Fresno	Reedley
Hanford	Sanger
Madera	Selma
Merced	Tulare
Paso Robles	Visalia

EECU Size Ranking (by assets)

As of December 31, 2023

Central San Joaquin Valley	1
California	17
United States	86

Board of Directors

Walter A. Franzell, Chair
Ali Nekumanesh, Vice Chair
Lisa Cutts, Treasurer
Mike Snell, Secretary
Phil Neufeld
David A. Roberts
Derek Scharton
Brad Stevens
Darcy Williams

Supervisory Committee

William Clark, Chair
Nikolaus De Jong, Secretary
Saeng Bunsy
Laurie Madden
Kathryn Ortega-Jones