



Enriching Lives, Empowering Dreams

2023 ANNUAL REPORT



Learn More. Live More.®





Board of Directors:

Linda Purdy, Chairman of the Board, Place 6, Term Expires 2024

Leonida Cleveland, Vice Chairman, Place 5, Term Expires 2024

Kel Spradling, Secretary, Place 9, Term Expires 2025

Steve West, Treasurer, Place 8, Term Expires 2025

Duane Chapman, Director, Place 2, Term Expires 2026

Daniel Coward, Director, Place 7, Term Expires 2025

Jimmy Marrs, Director, Place 3, Term Expires 2026

Cody Myers, Director, Place 1, Term Expires 2026

Buddy Stephens, Director, Place 4, Term Expires 2024

Mark Snider, Director, Place 10, Term Expires 2026

Benito Barraza, Advisory Board Member

Bionca Tomlinson, Advisory Board Member

Kent Hargis, Advisory Board Member

Ray Cogburn, Advisory Board Member

Joe Rogers, Advisory Board Member

Executive Team:

Marcus Smith, Chief Executive Officer/President

Adrian Alejandro, Senior Vice President of Lending

Claudia Burkett, Executive Vice President/President of Canyon Market

Marcus Glass, Chief Operations Officer (Formerly Senior Vice President of Operations)

Johnny Harris, Senior Vice President of Training (Formerly Senior Vice President of Retail Operations)

Jennifer Ufford, Senior Vice President of Member Experience (Formerly Vice President of Strategic Initiatives)

Tina Hunter, President of H&H Market (New position)

Bradley Herbert, Senior Vice President of Information Technology (Formerly Senior Vice President of Information Systems held by Jacque Bagot)



Operational Management:

Sarah Aaron, Vice President of Loan Servicing

Brittnie Aguirre, Mortgage Manager

Beth Ashe, Vice President of Team Member Experience

Gypsy Austin, Centralized Underwriting Manager

Joe Cowden, Director of Information Technology

Renea Curry, Vice President of H&H Market (New position)

Mary Beth da Silva, Controller

Melissa Durling, Vice President of Human Resources

Elizabeth Flores, Payments Manager (New position)

Becky Gabhart, Vice President of Teller Initiatives & Development – (Formerly Vice President of Student Relations)

Salvador Gomez, Manager of Business Intelligence & Development

Danielle Gonzales, Director of Deposit Operations

Melissa Gutierrez, Director of Retail Operations

Amy Hamilton, Vice President of Lending

Elizabeth Levario, Director of Member Support Center

Haley Pate, Executive Assistant

Matt Morgan, Executive Director of Foundation (Formerly Director of Education Credit Union Foundation held by Tricia Bass)

Deanna Seale, Accounting Manager (New Position)

Tiffany Sharpenstein, Director of Marketing (Formerly Marketing Manager)

Samantha Taylor, Coordinator of Project Management

Bylaw Changes

ECU absorbed H&H Field of Membership as part of the merger with H&H Federal Credit Union.

Services & Products No Longer Offered:

No Changes

Products & Services Additions:

No Changes



Linda Purdy, Chairman

Overall, 2023 was a year of growth for Education Credit Union! As we expanded into the Borger and Stinnett communities, we added more employees and more members, all the while maintaining and growing our general member base. At the end of 2023, our overall total membership number was 38,665! This is an impressive 5,000+ more new members than we had in 2022.

In 2023, the Credit Union was able to launch a certified financial counselor program with free services open to ECU members and the community at large. We were also honored to receive the 2023 National Philanthropy Day's Large Business Award, and we are pleased with the impact the ECU Foundation has made as a trusted philanthropic resource in our Texas Panhandle communities.

From teaching financial literacy Panhandle-wide to increasing the number of member scholarships given, everywhere you turn, there is something to be celebrated here at ECU! The growth we have experienced over the last year has led to nothing but remarkable achievements on all fronts. ECU remains a strong and healthy credit union and the team stands ready and eager to serve you, our members, and community. I know first-hand the leadership team's attention to details and servant hearts. I have full faith ECU will continue to be a beacon of light in our community.

As a member-owner of Education Credit Union, you are invaluable when it comes to our financial health and community-based accomplishments. Thank you for allowing ECU to enrich your life and empower your dreams, but most importantly, thank you for being our member.



Marcus Smith, CEO

In my life, and in my time as the CEO of Education Credit Union, I have learned that gratitude changes everything about what comes next. I am grateful for the unwavering dedication of our team members to serving our members and the community, fully encompassing our core value: "People First, Impact Always."

As for the last year, one of our main focuses as a not-for-profit financial cooperative was to enrich lives and empower the dreams of those around us. With that in mind, the Credit Union made impressive strides in membership growth, deposit growth, and loan growth by expanding our products and services to our neighbors in the Borger and Stinnett communities.

Though we are a financial institution, our core value takes us beyond balances and debt ratios. Everything we do through the Credit Union impacts your success as a member, and throughout 2023, we worked ceaselessly to provide services and resources to guide people into financial prosperity.

One tremendous accomplishment we made in the last year was building our Financial Counseling program. ECU currently has 30 employees, 25% of whom speak both English and Spanish, who are certified by the Credit Union National Association (CUNA). Our counselors have aided members and non-members with crafting budgets, improving credit scores, and protecting their financial well being. In order to decrease a member's debt, increase their savings, and improve their credit score, our financial counselors are providing invaluable, actionable steps to assist our neighbors with smarter financial habits. Some counselors even utilize their skills at non-profit organizations like Patsy's Place. The best part is these counseling services are completely FREE.

For the first time, Education Credit Union won the National Philanthropy Day's Large Business Award in 2023. This recognition was reinforced by our community partners at Storybridge, who supported our nomination. We couldn't be more thankful for their support, along with the efforts of our team, who helped us achieve this amazing award. Whether it's: delivering Fill With Hope Totes to Arden Road, participating in the Hamlet Elementary mentorship program, volunteering at Junior Achievement, or countless other efforts, you better believe our team is there and showing up for our community!

We also greatly value our partnerships with the local school districts, colleges, and universities. We are proud to say we have been in numerous classrooms teaching financial literacy in Amarillo, Bushland, and Canyon ISDs as well as expanding into our Borger and Stinnett communities. As we continue to flourish in our partnership at West Texas A&M through the ECU Buff \$mart program on the campus of WT and our Buff \$mart branch on 4th Ave in Canyon, we are also looking forward to deepening our relationship with Amarillo College. In 2023, the ECU Foundation gifted a \$500,000 endowment to Amarillo College to support STEM Scholarships. Much like our Buff \$mart program and branch with West Texas A&M University, we are thrilled to implement the same curriculum at AC in addition to opening a full-service Badger \$mart branch in 2024 to serve our AC students and faculty.

All of these wonderful accomplishments wouldn't be possible without you. Without you, our member owners, we would not be able to enrich the lives of those around us and empower the dreams of our community. Thank you so much for your trust and membership. Let's all continue to Learn More, and Live More together.

A handwritten signature of Marcus Smith in black ink. The signature is written in a cursive, flowing style. The name "Marcus" is written in a larger, more prominent script, and "Smith" follows in a similar but slightly smaller script.

STATEMENT OF FINANCIAL CONDITION

ASSETS

	December 2023
Loans, Net of Allowance for Loan Losses	\$377,229,187
Cash	\$29,500,592
Receivables	\$3,798,636.11
Accrued Income	\$1,691,928
Investments	\$23,487,755
Prepaid and Deferred Charges	\$1,807,176
Fixed Assets, Net of Accumulated Depreciation	\$24,036,904
All Other Assets	\$14,240,431
Total Assets	\$477,792,609

LIABILITIES

Dividends Payable	\$2,775,196
Accounts Payable	\$2,606,261
Accrued Expenses	\$1,150,872
Other Liabilities	\$2,056,444
Total Liabilities	\$34,588,773

SHARES, DEPOSITS, AND EQUITY

Shares	\$125,889,694
Certificates and Deposit Accounts	\$262,686,873
Total Shares and Deposits	\$388,576,567

EQUITY

Reserves and Retained Earnings	\$55,789,166
Unrealized Gain/(Loss) on Investments	(1,161,897)
Total Equity	\$54,627,269
Total Liabilities and Equity	\$477,792,609

STATEMENT OF INCOME AND EXPENSE

INCOME	December 2023
Interest on Loans	\$23,268,946
Interest from Investments	\$1,592,085
Fee Income	\$4,562,209
Operating Income	\$7,805,309
Non-Operating Income (Expense)	
Total Income	\$37,228,549

EXPENSES	
Salaries and Employee Benefits	\$13,136,093
Operating Expenses	\$12,984,245
Total Operating Expenses	\$26,120,338
Provision for Loan Losses	\$3,181,861
Income Before Dividends and Interest	
Interest on Borrowed Money	\$497,552
Dividends on Shares	\$364,104
Interest on Certificates and Deposits	\$6,272,096
Net Income	\$792,598

MEMBERS

Total Members	38,665
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CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the Officials
Education Credit Union
6203 Hillside Rd
Amarillo, TX 79109

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Education Credit Union, which comprise the statements of financial condition as of June 30, 2023, and the related statements of income, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Education Credit Union as of June 30, 2023, and the results of its operation, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Education Credit Union and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Education Credit Union's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards (GAAS) will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Education Credit Union's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Education Credit Union's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Greg R. Schmidt, CPA
Amarillo, Texas
October 2, 2023



Amarillo • Borger • Bushland • Canyon • Stinnett

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