

Board of Directors Report

2025 was a year of meaningful transition and progress for our Credit Union.

We marked the retirement of long-serving CEO Steven Devan, whose 22 years of leadership transformed the Credit Union from a small organization offering basic savings and loan products into a full-service financial institution. Under Devan's guidance, we expanded to include interest-earning checking accounts, in-house mortgage servicing, and CU2U—bringing Credit Union services directly to members' workplaces—while maintaining low fees and exceptional service.

Following a thorough search led by the Board of Directors and the Succession Planning Committee, Matt Lyons was selected as the new President & CEO. Lyons has a solid track record for his proven leadership, deep commitment to community service, and extensive experience in the financial services industry. Lyons's East County connections also position the Credit Union well for the future.

Several additional leadership transitions transpired throughout the year. After the retirement of CFO Robert Nolan, we welcomed Rick Huerta, who has quickly and capably assumed the role. Nolan continues to serve on the Supervisory Committee, providing valuable oversight and continuity. Following the retirement of our VP, Business Development in December 2024, we welcomed Denise Cuellar to the role. Her decades of financial services experience and extensive involvement in community organizations have already strengthened the Credit Union's presence and growth.

Operationally, we implemented Wednesday morning office closures to support staff development, training, and system maintenance. We also began migrating our technology infrastructure to the cloud, enhancing security through multiple backups and remote locations. Throughout these changes, our focus remained steadfast: serving our members. Despite substantial internal change, members experienced no significant disruption in service, access, or product availability.

On behalf of the Board of Directors, thank you to our member-owners for your continued trust and support. We are proud of the strong community we have built together and look forward with confidence to an exciting and successful 2026.

Paul Schnaubelt
Board Chair

Supervisory Committee Report

The Supervisory Committee is appointed by the Board of Directors and is responsible for ensuring that the financial condition of the Credit Union is accurately reported and that internal controls are adequate to safeguard members' assets. The Committee fulfills its duties in accordance with applicable laws, regulations, and the Credit Union's bylaws.

During the year ended June 30, 2025, the Supervisory Committee carried out its responsibilities through a combination of internal reviews, oversight of independent audits, and ongoing monitoring of operational practices. The Committee engaged an independent external auditor, Richards & Associates, to conduct an annual audit of the Credit Union's financial statements. The audit was performed in accordance with generally accepted accounting principles and included a review of internal controls, accounting procedures, and compliance with applicable regulatory requirements.

Based on the results of the independent audit and other examinations conducted throughout the year, the Committee is pleased to report that the financial statements present fairly, in all material respects, the financial position of the Credit Union. No material weaknesses or significant deficiencies were identified that would adversely affect the safety and soundness of the Credit Union.

The Supervisory Committee also reviewed policies and procedures related to internal controls, risk management, and regulatory compliance. Where appropriate, recommendations were made to Management and the Board to further strengthen controls and operational efficiency.

In conclusion, the Supervisory Committee believes your Credit Union continues to operate in a safe and sound manner and remains financially strong, well-managed, and focused on serving the best interests of its members.

Supervisory Committee

President & CEO Report

As we reflect on the past year at ECS, I am proud to have stepped into the President & CEO role and share a story of service and continued commitment to our members and the community we serve. 2025 presented both challenges and opportunities. Throughout it all, our focus remained clear on supporting the financial well-being of our members, the educators, school employees, and their families who are the foundation of our Credit Union.

One of the most meaningful parts of this year for me personally has been the opportunity to meet so many of you, spend time in the schools throughout our community, and build strong relationships with our staff, Board of Directors, Supervisory Committee, and volunteers. Seeing firsthand the impact ECS has in classrooms and on campuses across East County has reinforced why this work matters and why our mission is so important.

Member service continues to be at the heart of who we are. Over the past year, we expanded access to convenient banking solutions, enhanced digital tools, and personalized financial guidance. Whether helping a member finance a vehicle, save for the future, or navigate unexpected financial challenges, our staff remained committed to providing compassionate, knowledgeable service.

Our commitment to the education community remains strong. As a not-for-profit cooperative, we reinvest our success back into our membership through competitive rates, lower fees, and meaningful support for local schools and educational initiatives. We are honored to serve those who dedicate their lives to educating future generations, and we take that responsibility seriously.

None of our accomplishments would be possible without the dedication of our employees, the guidance of our Board of Directors and Supervisory Committee, or the loyalty of our members. I extend my sincere gratitude to each of you for your trust and engagement with ECS.

As we look ahead, we remain focused on sustainable growth, innovation, and strengthening relationships. We will continue to listen, adapt, and evolve, while staying true to the cooperative values that have guided us since our founding.

Thank you for being a part of ECS. We look forward to another year of serving you with integrity, care, and commitment.

Matt Lyons
President & CEO

2025

ANNUAL REPORT

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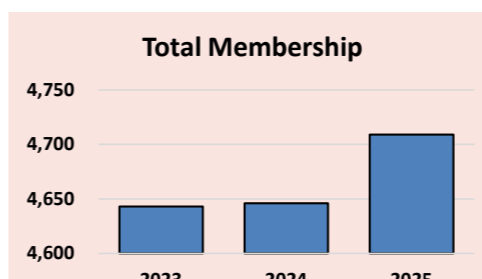
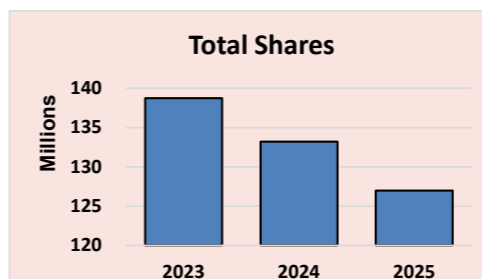
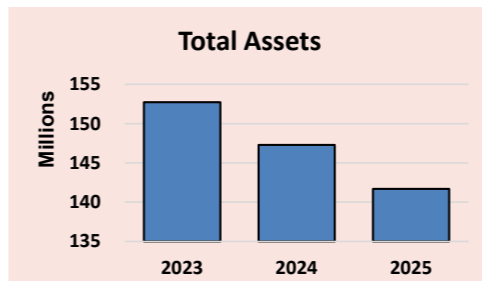


ASSETS	2023	2024	2025
Members' Loans	80,534,824	80,999,616	78,982,410
Cash In Bank & Change Fund.....	636,933	591,031	565,625
Catalyst Corp FCU.....	2,081,426	4,792,898	3,809,920
Other Investments.....	65,083,285	56,747,973	54,207,483
All Other Assets.....	4,609,029	4,394,120	4,410,760
Allowance for Loan Losses.....	(213,488)	(248,653)	(290,157)
Total Assets	152,732,009	147,276,986	141,686,042

LIABILITIES AND CAPITAL	2023	2024	2025
Accounts Payable.....	856,874	492,151	398,654
Other Liabilities.....	633,706	640,053	587,412
Share Drafts.....	47,932,175	54,061,612	54,758,956
Regular Shares.....	38,191,047	36,397,702	34,053,684
Money Market Shares.....	21,321,001	21,467,330	19,789,497
IRA Shares.....	2,595,195	2,479,617	2,100,311
Share Certificates.....	28,687,023	18,803,498	16,269,929
Non-Member Shares.....	-	-	-
Total Members' Shares	138,726,440	133,209,760	126,972,377
Regular Reserves.....	-	-	-
Undivided Earnings.....	12,517,779	12,936,017	13,727,788
Unrealized G/L Investments.....	(2,789)	(994)	(189)
Total Liabilities and Capital	152,732,009	147,276,986	141,686,042

INCOME	2023	2024	2025
Interest On Loans.....	3,026,678	3,834,322	3,703,180
Income From Investments.....	1,048,574	1,192,243	1,477,061
Other Operating Income.....	536,707	591,137	571,301
Total Gross Income	4,611,959	5,617,702	5,751,542
Total Operating Expenses.....	3,520,634	4,135,900	4,271,270
Net Operating Income	1,091,325	1,481,801	1,480,272
Dividends To Members.....	957,607	1,087,585	768,487
Total Non-Operating Income.....	46,862	60,563	84,486
Net Income After Dividends	180,580	454,779	796,271

LOAN INFORMATION	2023	2024	2025
Number of Members, Year End	4,643	4,646	4,709
Number of Loans Made During the Year.....	674	601	537
Dollar Amount of Loans	26,179,359	25,812,488	23,473,870
Number of Delinquent Loans (60 Days & Over).....	19	42	75
Dollar Amount of Delinquent Loans.....	54,464	136,104	126,964
Dollar Amount of Delinquent Loans Net Charge Off...	94,668	115,720	110,177
Loss Ratio.....	0.12%	0.14%	0.14%



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Board of Directors

Paul Schnaubelt, Chairman
Dr. Leonita Smith, Vice-Chairman
Dr. Randy Montesanto, Secretary
David Yeager, Treasurer
Rachel Brandt, Director
Jim Custeau, Director

Supervisory Committee

Robert Nolan, Committee Member
Alba Orr, Committee Member
William Pickering, Committee Member
Vicki Ordway, Committee Member
Jim Custeau, Committee Member

Management Team

Matt Lyons, President & CEO
Rick Huerta, VP Chief Financial Officer
Chris Whitney, VP Info Technology
Tammy Rahders, VP Lending & Operations
Denise Cuellar, VP Business Development

