

Report from the Chairman of the Board of Directors

As 2021 came to an end, we found ourselves still in an unprecedented worldwide pandemic. However, great strides have been made with vaccines, masks and safety protocols.

During this time East County Schools Federal Credit Union has continued to thrive with full services. Accounts are opened, loans are made, cars bought and mortgages approved. And during it all the staff have been fully on board, helpful, friendly and wanting to do all to make it so. And so they have.

This is my final annual report. I am retiring from the Board of Directors after 8 years. I have enjoyed it, learned much and will miss seeing everyone on a regular basis. However, I will be in and out of the office to conduct my financial business.

It has been such a pleasure and an honor to interact with everyone and I will miss that and the people. It has given me an even bigger picture of the credit union and am more impressed than ever in my over 50 years of membership.

I wish the credit union, staff and Board all the best in the future.

Regards,



Patricia Floyd
Chairman of the Board



Report from the Chairman of the Supervisory Committee

The Supervisory Committee's primary function is to monitor the Credit Union's financial operations and ensure that the Board of Directors and the Management Team operate in accordance with the regulations established by the National Credit Union Administration (NCUA), the credit union's bylaws and other state and federal law. The committee members oversee the annual independent audit of the Credit Union and report the findings and deficiencies of each year's audit to the Board of Directors and the members. Richards & Associates completed the Credit Union's Annual Audit of Financial Condition for the period ending June 30, 2021. In their report, the independent auditors expressed an unqualified opinion on the Credit Union's financial statements and confirmed that East County School's Federal Credit Union's financial position continues to be strong.

The Credit Union used Richards & Associates and Doeren Mayhew, CPA's and Advisors to perform internal, federal, and state audits. All compliance audits were completed as mandated by federal and state regulators. During 2021, the following audits were conducted:

ACH Compliance	Information Technology Audit
2021 Finance Audit	ACH Risk Assessment
IT Risk Assessment	Bank Securities Act Audit
SAFE Act Compliance	Member Verification

The Supervisory Committee worked with management to address any reported issues. Action has been taken to enhance the scope and depth of the required audits, with additional reviews of lending practices, branch operations, compliance audits, fraud prevention and internal controls. Computer/system security and fraud prevention continue to be an industry wide concern.

During 2021, the Supervisory Committee lost two very key members but fortunately had two new members join who will be just as diligent with the oversight responsibilities that include the requirement to (1) provide the annual audit, (2) safeguard assets, (3) review internal controls, (4) work with the auditor, (5) ensure corrective actions are taken, (6) meet with federal examiners, (7) research member complaints and (8) perform biannual verification of member accounts.

Sincerely,



Baron T. Willis
Chairman

Report of the President/CEO

2021 was another year of challenges brought on by the pandemic.

From the ECSFCU perspective, I would describe 2021 as a year of innovation. To no surprise to me, our school employees were so focused on minimizing the impact to all of their students, that they had little time left to lessen the pandemic influence on themselves.

At East County Schools Federal Credit Union we take pride in "Advocating for those that advocate for their students". To that end we put the finishing touches on a package of innovative school employee benefits aimed at leveling the playing field in terms of the timing of payroll distributions. We refer to these innovations as our "MyPaySuite" of products.

Perhaps the most dynamic of these products is "MyPay15". In this "Faster Payments" world that we live in whereby the "gig-economy" expects to be paid almost as quickly as they earn (daily or weekly), we felt that providing a twice-monthly payroll feature would both relieve the occasional burden of a monthly payroll, and/or empower our school employees to leverage greater cash flows.

We also listened carefully when our member-owners wanted a multitude of ways to communicate with their credit union. In 2021 we rolled out our new texting service that allows our members and potential members to send and receive secure text messages, as well as text "keywords" in order to obtain instant information on such services as the closest CO-OP ATM, applying for a new membership, applying for our exclusive MyPay15 service, and so much more.

Turning to our growth in 2021, we grew our total assets by almost 16% to over \$156,000,000, assisted by stimulus cash flows, COVID related fundings to our school districts, and the reduced consumer spending as a result of the restrictions placed on most California residents compared to pre-pandemic behavior.

As we turn the page on 2021, I would be remiss if I didn't acknowledge the overwhelming pride I have in our staff for being so steady and supportive, even when we have had to pivot on a moment's notice. They have done so with an immense amount of enthusiasm, commitment and professionalism regardless of the circumstances.

We look to 2022 with our eyes set on helping our member-owners not only survive the pandemic, but to thrive in the face of such adversity.

In closing I want to thank our Board and Supervisory Committee for their unwavering support of the Management Team and staff as we strive to provide the best possible service to all of our member-owners, current and future.



Steven A. Devan
President & Chief Executive Officer

2021

ANNUAL REPORT

President / CEO

Board of Directors Chairman

Supervisory Committee Chairman

Financial Statements



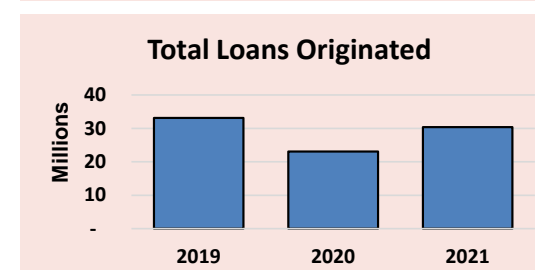
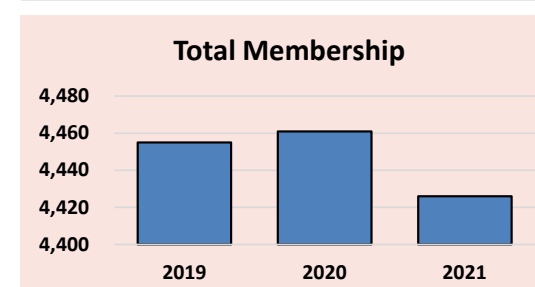
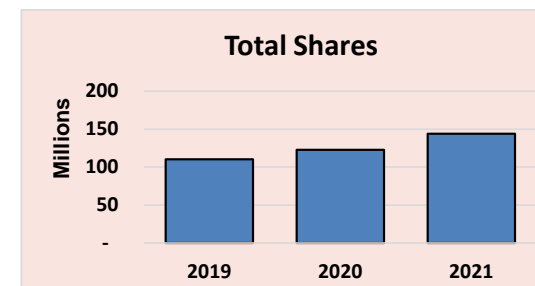
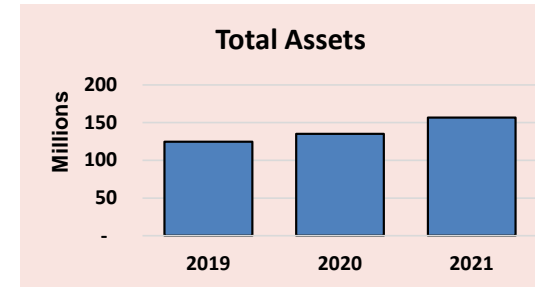
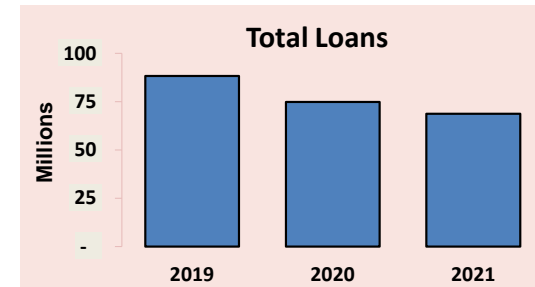
ASSETS	2019	2020	2021
Members' Loans.....	88,284,244	74,779,750	68,670,692
Cash In Bank & Change Fund.....	636,081	611,716	480,066
Catalyst Corp FCU.....	1,563,875	28,974,682	19,339,248
Other Investments.....	30,701,805	27,229,823	64,225,381
All Other Assets.....	3,867,393	3,845,861	4,068,201
Allowance for Loan Losses.....	(291,266)	(279,977)	(231,786)
Total Assets.....	124,762,131	135,161,855	156,551,802

LIABILITIES AND CAPITAL	2019	2020	2021
Accounts Payable.....	494,199	378,664	382,335
Other Liabilities.....	2,929,044	697,641	689,477
Share Drafts.....	30,785,186	38,135,328	49,886,200
Regular Shares.....	27,174,115	35,737,713	41,249,452
Money Market Shares.....	27,404,958	27,844,059	29,702,536
IRA Shares.....	3,389,289	3,483,916	3,271,386
Share Certificates.....	15,197,679	15,127,382	17,404,756
Non-Member Shares.....	6,335,016	2,432,000	2,432,000
Total Members' Shares.....	110,286,243	122,760,398	143,946,330
Regular Reserves.....	4,132,774	4,132,774	4,132,774
Undivided Earnings.....	6,915,039	7,190,272	7,400,270
Unrealized G/L Investments.....	4,834	2,106	616
Total Liabilities and Capital.....	124,762,132	135,161,855	156,551,802

INCOME	2019	2020	2021
Interest On Loans.....	3,373,799	3,193,513	2,451,659
Income From Investments.....	795,627	482,554	665,974
Other Operating Income.....	474,994	451,534	519,499
Total Gross Income.....	4,644,420	4,127,601	3,637,132
Total Operating Expenses.....	3,417,798	3,356,325	3,077,355
Net Operating Income.....	1,226,622	771,277	559,777
Dividends To Members.....	459,950	546,850	391,334
Total Non-Operating Income.....	58,965	50,807	41,556
Net Income After Dividends.....	825,637	275,234	209,999

LOAN INFORMATION	2019	2020	2021
Number of Members, Year End.....	4,455	4,461	4,426
Number of Loans Made During the Year.....	616	459	528
Dollar Amount of Loans.....	33,112,898	23,085,565	30,377,894
Number of Delinquent Loans (60 Days & Over).....	18	9	5
Dollar Amount of Delinquent Loans.....	603,976	188,781	168,215
Dollar Amount of Delinquent Loans Net Charge Off.....	76,552	111,147	49,153
Loss Ratio.....	0.09%	0.13%	0.07%

Financials as of 12/31/2021



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Board of Directors

Patricia Floyd, Chairman
Ezequiel Cardenas, Vice-Chairman
Rachel Kenny, Secretary
Scott Buxbaum, Treasurer
Paul Schnaubelt, Member

Supervisory Committee

Barron Willis, Chairman
Ken Leighton, Committee Member
Alba Orr, Committee Member

Management Team

Steven A. Devan, President/CEO
Robert Nolan, VP Chief Financial Officer
Chris Whitney, VP Info Technology
Tammy Rahders, VP Lending & Operations
Karen Fleck, AVP Mktg & Business Dev.

