

2024 Annual Report



FOR OVER 90 YEARS

Serving school employees and their families
and supporting their financial well-being.

A Message from Your Chairperson of the Board and Chief Executive Officer



Marc Ecker, Ph.D.
CHAIRPERSON OF THE BOARD

Bill Cheney
CHIEF EXECUTIVE OFFICER

A Legacy of Service

SchoolsFirst Federal Credit Union was founded more than 90 years ago, when 126 school employees saw a financial need in their community. Since then, we have not wavered from our commitment to serving the financial needs of school employees and their families. Today, we serve nearly 1.5 million Members, including you. Thanks to your loyalty, our legacy remains strong, and we continue to evolve to meet your needs, providing trusted financial advice to help you thrive.

Member Service Is Our Priority

We are dedicated to helping you achieve financial well-being. As a Member-owned, not-for-profit financial cooperative, we return profits to Members through lower loan rates, higher savings rates and lower fees than for-profit competitors. This past year, SchoolsFirst FCU provided an estimated \$508,775,366 in direct financial benefits to our Members, resulting in a savings of \$756 for each Member household and \$1,721 for Member households actively using more products and services.^{1, 2, 3}

Anticipating Your Needs

In 2024, we found ways to improve security measures and keep your accounts even more secure. We launched contactless debit cards, making payments easier and safer. We also gave you the option to authenticate using your smartphone when calling the Credit Union. With fraud on the rise, we can now send text alerts to confirm transactions when we suspect fraudulent activity.

Our Community Impact

Together, our Members and team play an active role in the communities we serve. We participate in many ways, including donating time and financial resources to support educational programs. Thanks to your support, we were able to give \$4,091,610 to local schools, colleges and universities, and Children's Miracle Network Hospitals, the charity of choice for credit unions. Additionally, we provided \$325,314 to support educational grant programs and \$185,000 in scholarships through the Member Education Award program.

Serving Your Needs into the Future

Delivering World-Class Personal Service and helping you achieve financial well-being is at the heart of everything we do. We are honored that you continue to trust us as your financial partner, helping you bring your dreams to life.

It is a privilege to serve your financial needs and be on this journey together.

With deep gratitude,

Marc Ecker, Ph.D.

CHAIRPERSON OF THE BOARD

Bill Cheney

CHIEF EXECUTIVE OFFICER



It is a privilege
to serve your
financial needs
and be on this
journey together.

1. 2024: America's Credit Unions Membership Benefits Report for SchoolsFirst FCU. Source: Datatrac, NCUA and America's Credit Unions.

2. Assumes 2.1 Credit Union Members per household.

3. A "loyal Member" is assumed to have a \$30,000, 60-month new auto loan, a classic credit card with an average balance of \$5,000, a \$200,000, 30-year fixed rate mortgage (a 30-year fixed rate mortgage is replaced with a 5-year adjustable rate mortgage if it yields a greater benefit as it is assumed more in demand), \$5,000 in an interest/dividend checking account, \$10,000 in a one-year certificate account, and \$2,500 in a money market account.

Diana B.
Member Since 1991



SERVING OUR MEMBERS

Serving School Employees and Their Families

In 2024, Membership grew to **1,456,953 Members**,
welcoming 119,472 new Members, including:



43,249
school employees.



54,772
family Members.



21,451
youth family Members.



Miha M. and Family
Member Since 2010

Because of Your Loyal Membership

We remained the largest credit union in California and the third largest credit union in the United States. As a not-for-profit, Member-owned financial cooperative, we give back to Members in the form of higher rates on savings, competitive rates on loans and low-to-no fees.



\$281.8 million

from higher dividend rates on savings.¹



\$202.7 million

from lower interest rates on loans.¹



\$24.3 million

from fewer/lower fees.¹

In 2024, we enhanced our services, making it easier to do business with us.



Security

Improved security measures and text alerts to keep your accounts even more secure.



Contactless Debit Cards

Payments made easier and safer with contactless debit cards.



Authentication

Simplified authentication from a smartphone when calling our Member Contact Center.

Sheela H.
Member Since 2014



How We Serve and Support Our Members



845,021

Members visited our 70 branches throughout California.



491,355

Members called our contact centers.



983,032

Members used Mobile Banking.



760,990

Members used Online Banking.



713,579

Members used our ATMs or the 30,000 CO-OP network ATMs.



55,635

Members used chat from our website.

In 2024, Members used our financial products and services to improve their financial well-being.



Scott B.
Member Since 2017



6.8 million

Members used 6.8 million products and services, an increase of 419,000 in 2024.



6.2 billion

We helped Members with over \$6.2 billion in loans.²



67,996

Members purchased a car.²



1,441

Members bought a home.²



6,316

Members opened HELOCs.²



134,609

Members opened personal loans.²

Saving Members Money and Making Life Easier



5,454

Members purchased autos through our auto-buying service.



14,755

Members used our insurance services to save money on auto, home and other personal property policies.³



466

Members used the SchoolsFirst FCU Home360[®] program to save money on their home purchases.⁴

Providing Members with Guidance When They Need It



\$1.87 billion

The financial consultants at SchoolsFirst Investment Services⁵ collectively served \$1.87 billion in brokerage and advisory assets through LPL Financial.



39,465

Number of Members assisted by SchoolsFirst Investment Services.⁵



14,600

Number of appointments Members scheduled with SchoolsFirst Investment Services⁵ to talk about their financial journey.



\$3 billion

The financial consultants at SchoolsFirst Retirement Planning⁵ collectively served almost 50,000 Members and hold almost \$3 billion of their retirement assets through LPL Financial.

Denise K.
Member Since 2000

Supporting School Employees with Unique Products to Meet Their Needs



317,754

School employee Members participated in Summer Saver and 8,124 participated in Paycheck Planner to cover the summer months when they don't receive a paycheck.



10,809

School employee Members participated in the Summers Off program to ease the stress of making payments in the summer months.⁶



22,436

Classified school employee Members received Uniform Loans to help purchase uniforms, equipment and other special gear to successfully do their jobs.



13,782

School employee Members received Classroom Supply Loans to help provide students with educational materials they wouldn't otherwise have.



991

School Employee Mortgages, featuring a low down payment and no private mortgage insurance, were opened to make homeownership a reality for Members.



13,306

Competitive-rate School Employee credit cards were opened.

Members Generously Recognized us in National and Local Publications.



Forbes' Best-In-State Credit Unions 2024:

America's Best Credit Unions in Each State for Six Years



Best of Inland Empire 2024:

Hometown Favorites, North: Corona, Loma Linda, Moreno Valley, Redlands and Riverside



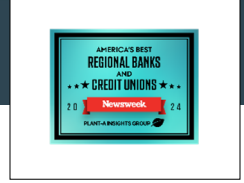
Orange County Register Best of Orange County 2024:

Best Credit Union



Coachella Valley Independent:

Best Credit Union in the Coachella Valley



Newsweek:

Best Banks and Credit Unions



OC Business Journal:

Commitment to DEI



Style Magazine Readers' Choice Awards Best of 2024:

El Dorado County Foothills



Style Magazine Readers' Choice Awards Best of 2024:

Folsom El Dorado Hills



Style Magazine Readers' Choice Awards Best of 2024:

Roseville Granite Bay Rocklin



LA Times:

Top Credit Unions in Southern California

1. 2024 America's Credit Unions Membership Benefits Report for SchoolsFirst FCU. Source: Datatrac, NCUA and America's Credit Unions.

2. All loans subject to approval.

3. CA Insurance License 0119344.

4. Rebate payment is made by First Team Real Estate or HomeSmart Evergreen Realty. Rebate is credited to your benefit at the close of transaction and will be lowered by any reductions to the commissions paid to the participating agent in a concurrent purchase and sale of a home. Commission will vary. To be eligible for the 20% rebate, Member must complete the transaction with the agent assigned by SchoolsFirst FCU Home360@. Using SchoolsFirst FCU for a mortgage loan is not a requirement to earn the rebate. Purchase price must be greater than \$150,000 after all credit adjustments. All rebates are subject to limitations, lender guidelines and other requirements. Certain properties may not be eligible for rebates. Rebate is 20% for purchase only of a residential property in California. Please consult a qualified tax professional for advice on tax implications from receiving a rebate. First Team Real Estate and HomeSmart Evergreen Realty are not affiliated with SchoolsFirst FCU.

5. **Securities and advisory services are offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA/SIPC).** Insurance products are offered through LPL or its licensed affiliates. SchoolsFirst Federal Credit Union and SchoolsFirst Investment Services **are not** registered as a broker-dealer or investment advisor. Registered representatives of LPL offer products and services using SchoolsFirst Investment Services and may also be employees of SchoolsFirst Federal Credit Union. These products and services are being offered through LPL or its affiliates, which are separate entities from, and not affiliates of, SchoolsFirst Federal Credit Union or SchoolsFirst Investment Services. Securities and insurance offered through LPL or its affiliates are:

Not Insured by NCUA or Any Other Government Agency	Not Credit Union Guaranteed	Not Credit Union Deposits or Obligations	May Lose Value
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The LPL Financial registered representatives associated with this website may discuss and/or transact business only with residents of the states in which they are properly registered or licensed. No offers may be made or accepted from any resident of any other state.

Your Credit Union ("Financial Institution") provides referrals to financial professionals of LPL Financial LLC ("LPL") pursuant to an agreement that allows LPL to pay the Financial Institution for these referrals. This creates an incentive for the Financial Institution to make these referrals, resulting in a conflict of interest. The Financial Institution is not a client of LPL for advisory services.

Please visit lpl.com/disclosures/is-lpl-relationship-disclosure.html for more detailed information.

6. Restrictions apply. Finance charges begin to accrue immediately upon the first skipped payment and are repaid over the life of the loan. As a result, Members may pay higher total finance charges on the loan than if payments began earlier.



COMMUNITY

People Helping People is One of the Founding Principles of the Credit Union Movement



Giving Back to the Communities Where Our Members Live and Work



\$4,091,610

Amount of financial donations given, thanks to the support of our Members and team.



2,925

Number of backpacks with school supplies donated by our team to students who needed them most.



**Children's
Miracle Network**

\$298,758

In 2024, SchoolsFirst FCU donated and raised \$298,758 for CMNH and children's hospitals in California, including Children's Hospital of Orange County, Children's Hospital Los Angeles, Rady Children's Hospital – San Diego and UC Davis Children's Hospital in Sacramento.



Brian M.
Member Since 2009

Supporting the Educational Community



6,112

Our teammembers volunteered to help 6,112 students at 87 Bite of Reality® events. Bite of Reality is a hands-on, money-management simulation designed to educate students about making smart money decisions.



\$185,000

Last year, 240 students received more than \$185,000 in scholarships to continue their education.



27,201

We empowered more than 27,201 students who participated in financial education workshops and presentations in 954 classrooms.



308

Workshops were hosted for school employees, students and their parents to provide financial education in a fun and interactive way.



The Education Foundation for California Schools was created in 2003. The Foundation provides K-14 teachers throughout California with grants to help support the launch of education programs for their students.



\$325,314

With generous support from our Members, team and partners, the Education Foundation for California Schools awarded 118 grants to local teachers, totaling \$325,314.



28,000

Approximately 28,000 students benefited from teacher grants.



\$2.5 million

From 2003 – 2024, 993 teachers have received grants, totaling \$2.5 million.

Mary G. and Family
Member Since 1984



MEMBER STORY



Mary knew she wanted to be a teacher from the time she was in second grade. She recalls her teacher at the time, Mrs. Denhardt, being tough, yet caring, and Mary wanted to be just like her.

Mary followed her dream and after marrying her husband, she began her first teaching job at an elementary school. She specialized in working with students with behavioral issues and helped them navigate back on track. “Most didn’t realize the impact I had on their lives until they were 17 or 18, even though I taught them in fourth or fifth grade,” Mary says.

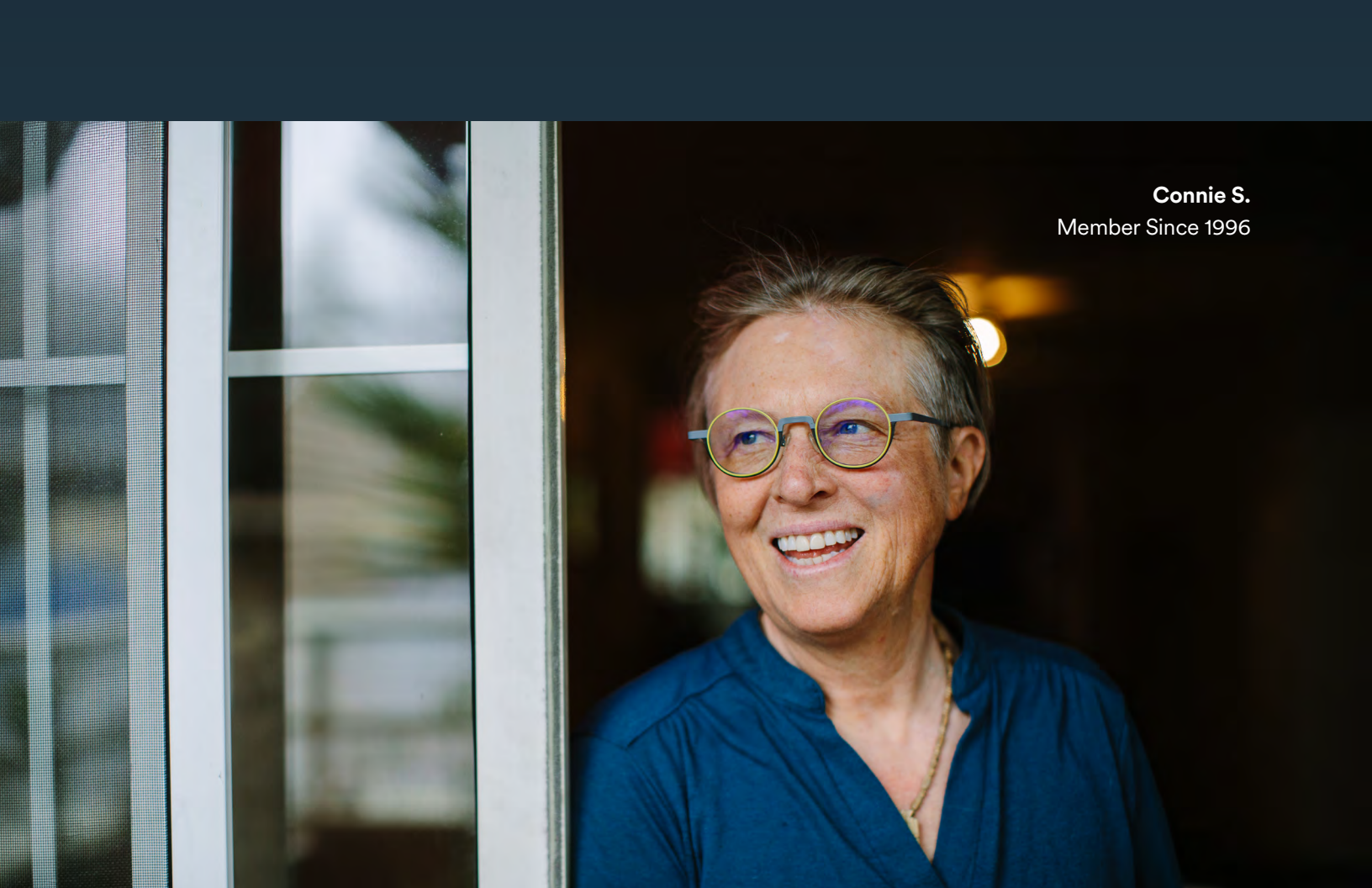
Throughout her teaching career, Mary’s family remained most important to her. She and her husband raised three children, Nicolas, Samuel and Erica. The Credit Union has been there to help Mary for all her children.

Most notably, Mary was able to turn to the Credit Union for support when she needed to find a way to help her son pay for a corrective surgery. Mary went to her local branch and asked what she could do. Teammember Linda listened to Mary and learned why she was desperate to help her son. Linda advised that a personal loan was best for Mary’s needs and submitted the loan application. Mary was approved on the spot. Her son was able to get the corrective surgery he needed and has been recovering well.

Mary appreciates the Credit Union and values her Membership because she is treated like a real person, not a number. Mary shares, “I’ve built a human connection with my local branch. I feel cared for and treated like family.”



Most didn’t realize the impact I had on their lives until they were 17 or 18, even though I taught them in fourth or fifth grade, Mary says.



Connie S.
Member Since 1996

FINANCIALS

Supervisory Committee Report

The Supervisory Committee provides the Membership with an independent appraisal of the safety and soundness of SchoolsFirst Federal Credit Union's operations and activities. It does so in compliance with various financial and regulatory requirements.

In fulfilling these responsibilities, the Committee engaged Moss Adams LLP to perform the annual financial statement audit for the year ended December 31, 2024. Moss Adams issued its opinion that the Credit Union's financial statements are presented fairly in all material respects. In addition, the Committee held quarterly meetings to review, among other things, internal audit reports, internal controls and risk-management processes, and examinations by regulatory agencies.

In the opinion of the Committee, SchoolsFirst Federal Credit Union has operated in a financially sound manner and in accordance with applicable federal and state regulations. The Credit Union continues to be financially strong and well-managed, and the assets of the Membership are being effectively safeguarded.

PAUL BURKART

CHAIRPERSON, SUPERVISORY COMMITTEE

Condensed Consolidated Statements of Financial Condition

As of December 31, 2024 and 2023 (in thousands of dollars)

ASSETS	2024	2023
Cash and cash equivalents	\$ 3,672,896	\$ 1,021,629
Investments available-for-sale, at fair value	1,337,295	1,479,674
Investments held-to-maturity, at amortized cost	5,191,844	6,386,777
Other investments, at fair value	64,530	26,592
Loans held for sale, at fair value	1,416	33,950
Loans, net	19,995,920	18,910,647
Accrued interest receivable	89,607	79,523
Receivable from other financial institutions	822,874	500,958
National Credit Union Share Insurance Fund (NCUSIF) deposit	240,593	228,790
Property and equipment, net	278,808	286,670
Goodwill and intangible assets, net	39,989	49,710
Other assets	190,766	217,323
TOTAL ASSETS	\$ 31,926,538	\$ 29,222,243
 LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' shares	\$ 26,828,355	\$ 24,037,575
Accrued expenses and other liabilities	351,171	421,307
Borrowed funds	1,600,000	1,822,500
	28,779,526	26,281,382
Members' equity		
Retained earnings	3,134,241	2,969,411
Accumulated other comprehensive income (loss)	12,771	(28,550)
	3,147,012	2,940,861
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 31,926,538	\$ 29,222,243
Capital ratio	9.86%	10.06%

Condensed Consolidated Statements of Income

For the Years Ended December 31, 2024 and 2023 (in thousands of dollars)

INTEREST INCOME	2024	2023
Loans	\$ 1,146,841	\$ 906,894
Investments and cash deposits at financial institutions	221,816	142,054
TOTAL INTEREST INCOME	1,368,657	1,048,948
INTEREST EXPENSE		
Members' shares	500,879	283,961
Borrowed funds	77,400	47,645
TOTAL INTEREST EXPENSE	578,279	331,606
Net interest income	790,378	717,342
Provision for credit losses	213,937	150,558
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	576,441	566,784
NON-INTEREST INCOME		
Member fees	59,075	55,809
Card interchange and ATM fees	93,591	87,912
Gain on sale of investments and loans, net	1,952	777
Other non-interest income	61,305	49,504
TOTAL NON-INTEREST INCOME	215,923	194,002
NON-INTEREST EXPENSE		
Salaries and benefits	355,020	337,872
Operations and other administrative expenses	226,947	212,881
Occupancy	45,567	43,215
TOTAL NON-INTEREST EXPENSE	627,534	593,968
NET INCOME	164,830	166,818
Other comprehensive income	41,321	30,119
TOTAL COMPREHENSIVE INCOME	\$ 206,151	\$ 196,937

Walter M. and Family
Member Since 2009



**BOARD OF DIRECTORS AND
SUPERVISORY COMMITTEE**

2024 Board of Directors

Your volunteer Board of Directors' commitment, advice and leadership help make our Members' lives better.



Marc Ecker, Ph.D.
CHAIRPERSON, BOARD OF DIRECTORS



Nina Boyd



Richard G. De Nava



John Didion



Renee Hendrick



Greg Marchant



Eric Padget



Tami Pearson, Ed.D.



Andy Plumley



Douglas Sato



Matthew Schulenberg



Marie B. Smith, Ed.D.



Kristine Wetzel

2024 Supervisory Committee

The Supervisory Committee provides the Membership with an independent appraisal of the safety and soundness of SchoolsFirst Federal Credit Unions' operations and activities.



Paul Burkart
CHAIRPERSON, SUPERVISORY COMMITTEE



Ted Alejandre



Karen Cant



Claudette Dain



Paul Reed



Kathleen McCreery*



Jeff Trader*

*Associate Supervisory Committee Member