2025 Annual Report

CELEBRATING 90 YEARS

LONG BEACH CITY EMPLOYEES FEDERAL CREDIT UNION

90 Years of Proudly Serving Those Who Serve Long Beach

First Board of Directors

Chairman's Message

It is my privilege to present the Chairman's Report for the fiscal year ended December 31, 2025. This past year has been one of steady progress, resiliency, and a continued commitment to the financial well-being of our members. We had been challenged in the prior few years by stagnant yields on our assets but have now turned the corner and are again building capital and momentum.

Membership growth continued to be a key objective. We welcomed new members from across the City of Long Beach's ranks, reinforcing the trust placed in us as a member-owned financial cooperative. At the same time, we strengthened relationships with existing members through improved service delivery, enhanced digital banking capabilities, and targeted financial education initiatives. We will continue to work with our Human Resource partners at the City to introduce our services to new and existing employees and their families.

Looking ahead, we are optimistic but mindful of the challenges that may arise. We will continue to prioritize financial strength, member value, and innovation, while staying true to our cooperative principles.

Good governance remains at the heart of everything we do. The Board of Directors has continued to uphold the highest standards of oversight, ensuring that risk is managed effectively and that strategic decisions align with our long-term vision. I would like to thank my fellow directors for their dedication, as well as our executive team and staff for their professionalism and commitment.

On behalf of the Board, I extend my sincere gratitude to our members for your continued trust and loyalty. Together, we will build on 2025's achievements and ensure a strong and sustainable future for our credit union.

Jeff Evans
Chairman of the Board

Treasurer's Report

I am pleased to present the Treasurer's Report for the fiscal year ended December 31, 2025. This report reflects the financial condition and performance of the credit union and highlights our continued commitment to prudent financial management and member service.

During 2025, the credit union maintained a stable financial position despite ongoing economic challenges. After several years of low dividend rates and shrinking deposits, total assets have steadied at $270 million at December 31, 2025. During the year, we were able to redeploy maturing investments, which represent about 40% of total assets, into higher yielding securities and raise dividend rates, all in an effort to attract back deposits that left a few years ago. It is management's plan to continue to improve returns to loyal depositors.

Net income for the year was $642,400 which was a favorable reversal of the prior year's loss of 483,632. The yield on the credit union's loan portfolio rose from 4.23% in 2024 to 4.57% in 2025. Similarly, the yield on the credit union's investment portfolio rose from 0.94% to 1.26%. Operating expenses rose modestly from 1.53% to 1.67%, well below our peer credit union's average of 3.15%. We also experienced extremely low loan losses at only 0.04% of average loans. Peer credit unions experienced losses of 0.49%.

The credit union remains very well capitalized at 13.73%. The "cushion" created by net worth exceeding requirements will protect the credit union from unforeseen economic conditions. Capital strength will also allow the credit union to continue to expand products, services and enhance member experiences. As we move into 2026, the credit union will remain focused on growth, innovation and value to members.

On behalf of the Board and management, I would like to thank our members for their continued trust and support. We remain committed to responsible financial stewardship and serving your best interests.

Respectfully submitted,

Brandon Walker
Treasurer

Supervisory Committee Report

The Supervisory Committee is vital to the healthy operation of any credit union. It is the Committee's responsibility to ensure that the Credit Union operates with sound internal controls, maintains records that accurately account for the Credit Union's assets, and adheres to practices that will safeguard those assets. These responsibilities are carried out by:

- Conducting periodic audits and reviews of the Credit Union's records and processes;
- Contracting for an annual independent financial statement audit; and
- Conducting annual member account verifications.

The annual financial statement audit of the Credit Union was completed as of December 31, 2025 by the Certified Public Accounting firm of Turner, Warren, Hwang & Conrad AC. The audit report, issued directly to the Supervisory Committee and reported to the Board of Directors, did not identify any areas of material concern. The Supervisory Committee believes that the Credit Union is a financially sound institution that will continue to provide outstanding service to our members. Your input is vital in fulfilling the Supervisory Committee's responsibilities, so if you should have any concerns with respect to a discrepancy, please contact the Committee via mail at 2801 Temple Avenue, Signal Hill, CA 90755, or email: lbcefcusupervisory@gmail.com

Aida Honey
Chairman of the Supervisory Committee

STATEMENTS OF FINANCIAL CONDITION

ASSETS	**2025**	**2024**
Cash and Cash Equivalents	$26,545,641	$621,303
Investments	107,243,376	139,228,329
Loans to Members (Net)	115,675,009	117,023,446
Buildings and Equipment (Net)	1,949,570	2,035,812
Other Assets	18,523,800	18,630,935
Total Assets	**269,937,396**	**277,539,825**
LIABILITIES & MEMBERS' EQUITY		
Liabilities		
Members' Shares	$228,777,298	$236,629,188
Borrowed Funds	7,433	10,500,000
Accrued Expenses and Other Liabilities	5,952,305	944,140
Total Liabilities	234,737,036	248,073,328
Members' Equity		
Undivided Earnings	$37,051,843	$36,409,443
Accumulated Other Comprehensive Income	(1,851,483)	(6,942,946)
Total Members' Equity	35,200,360	29,466,497
Total Liabilities & Members' Equity	**$269,937,396**	**$277,539,825**

STATEMENTS OF INCOME & EXPENSE

	2025	**2024**
Interest Income	$7,038,293	$6,262,892
Dividends Paid on Shares	(2,102,892)	(1,876,058)
Interest on Borrowed Funds	(58,911)	(480,543)
Net Interest Income	**4,876,490**	**3,906,291**
Provision for Loan Losses	(117,315)	(47,305)
Net Interest Income after Provision	4,759,175	3,858,986
Non-Interest Income	704,928	669,675
Loss on Sale of Investments	-	(117,345)
Other Non-Interest Expense	(4,821,703)	(4,894,947)
Net Income	**$642,400**	**$(483,631)**

The financial statements of the Long Beach City Employees Federal Credit Union (Credit Union) are a partial presentation of the financial position and results of operations of the Credit Union as of and for the year ended December 31, 2025. Accordingly, such information should be read in conjunction with the Credit Union's audited financial statements, from which this selected information has been derived. The Credit Union's full disclosure financial statements have been audited by Certified Public Accountants, Turner, Warren, Hwang & Conrad, for which an unqualified opinion was rendered. The audited financial statements, including auditors' report and notes to the financial statements will be provided upon request.

CU Highlights of 2025

In 2025 the CU Crew focused on opportunities to create new relationships with employee groups and strengthen relationships with existing members. We continued to provide our members with financial education opportunities through additional web-based resources like valuable workshops and in-person training.

Member Appreciation Day is always a fantastic event! Our Members' loyalty to the Credit Union is appreciated and celebrated!

The Public Works Department invited us to their annual Public Works breakfast—an example of another very loyal group of employees who work hard and count on our services!

The LBPD Senior Police Partners presented a very important seminar to a group of our members about scams and fraud. Retired LBPD Dispatcher and SPP volunteer Jeanne shared stories of real-life fraud and scam cases and ways our members can avoid them.

We took part in the first annual "Battle of the Bureaus" membership drive. Each Department bureau was challenged to increase its membership by 5% based on its total employees. LB Animal Care Services were the winners!

We held an Open Enrollment event at City Hall so employees could access information about their benefits. More than 300 employees attended.

The CU Crew were busy elves this past Holiday Season, wrapping gifts for employees across the city!

Long Beach City Employees Federal Credit Union
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