



# ANNUAL REPORT 2021



## A MESSAGE FROM ERIK M. SHAW President & CEO

**Welcome to the 2021 annual meeting of members for 5Point Credit Union.** When we last gathered a year ago, few of us imagined that we would STILL be dealing with the impact of the ever-evolving effects of the COVID-19 pandemic. I know that I certainly did not. Yet, here we are, meeting virtually once again as the situation continues to linger. One thing that is different, however, is our ability to adapt and adjust to the challenges brought about by this circumstance. We, as well as organizations throughout the world, have been forced to rethink how we operate and do business. More than ever, we have challenged ourselves to look at how we do things, both internally as well as how we deliver our products and services to you. We have been challenged to stretch our thinking and continue to evaluate the rapidly changing future of this industry. Despite the numerous challenges, the credit union experienced another very good year, in fact, better than projected in almost every category. We experienced growth in deposits, loans, as well as membership. We finished 2021 with growth in assets and now stand at \$833 million in total assets with loans totaling over \$571 million. The total membership for the credit union now stands at over 49,550 as we continue to grow in this area as well. These numbers indicate a healthy and vibrant credit union that is poised to serve you for years to come.

As we move forward from 2021, we remain committed to bringing you the absolute best in financial services and we have increased our focus on HOW we deliver those services to you. We understand that convenience and easy access have become increasingly important to your financial services and that this has only become more important as we have negotiated these last couple of years. We remain committed to giving you options when it comes to how you conduct business with us and we will work to ensure that you receive the same level of service you have come to expect no matter which 5Point delivery channel you choose. Whether you prefer to do business with us face to face or via many of the new and exciting technological options we have, our goal is the same; to provide you with an easy and pleasant way to conduct your financial business. No matter the delivery method, our commitment remains the same and is clearly stated in our mission, "To Improve the Quality of Life for Our Members and the Community." We promise to stay focused on that, and we also sincerely thank you for your continued membership.

## CHAIRMAN'S REPORT R. Glenn Johnson

**Welcome to the 86th Annual Meeting of 5Point Credit Union. Once again, our credit union continues to be a leading independent, not-for-profit financial institution due to the continued overwhelming support of our members, volunteer directors, and our staff.**

We take pride in our community involvement and support of various charities. Though many events were canceled in their traditional format, we were able to pivot and find fresh ways to keep our community involvement strong and relevant in 2021. We awarded ten scholarships to deserving high school seniors, attended local holiday parades, and contributed to several school events and sports programs throughout our Southeast Texas and North Houston markets.

Employees raised over \$5,000 through our CARE fund this year. The total amount raised was then matched by the credit union and donated to the Beaumont Rainbow Room and Nutrition and Services for Seniors. We were also proud to provide Christmas gifts to families in need through KFDM's Toyfeast.

We sponsored and supported many drive-thru and virtual events, walks, supply drives, along with hurricane relief. We also provided financial education both virtually and in-person when social distancing could be followed.

We continued making impacts through the 5Point Kindness Project, an initiative to promote good deeds and give back to the communities we serve. We volunteered at area food banks, supported front-line employees at local hospitals, honored essential workers at area post offices, awarded grants to teachers, and provided gift cards for meals and holiday shopping.

I am proud to serve as Chairman for the Board of Directors at 5Point Credit Union. I want to thank the members for their continued loyalty and support. Also, I express my appreciation to the volunteer Board of Directors and the volunteer Supervisory Committee for their dedication. Without a committed staff, volunteer Board of Directors, and the Supervisory Committee, the credit union could not attain the success it enjoys today. With this continued support and dedication, we will remain a leader in the credit union movement.



## BOARD OF DIRECTORS

R. Glenn Johnson   <i>Chairman</i>	2 years up for re-election	2023
Joe Dickson   <i>1st Vice Chairman</i>	2 years up for re-election	2023
John Comeaux, Sr.   <i>2nd Vice Chairman</i>	2 years up for re-election	2023
James R. Saxon   <i>Secretary-Treasurer</i>	3 years up for re-election	2024
Angelo "Louis" Anselmo	3 years up for re-election	2024
Hilton Ferguson, Jr.	2 years up for re-election	2023
Karol Russell	2 years up for re-election	2023
Jack Thornton	1 year up for re-election	2022
Denny Winter	1 year up for re-election	2022

## SUPERVISORY COMMITTEE

Karol Russell | *Supervisory Committee Chair/Board Representative*  
Troy Robinson  
Allen Sedtal  
Tierrany Decuir  
Chad Womack  
Jamie Evans

## CHANGES TO BOARD, SUPERVISORY COMMITTEE, SENIOR MANAGEMENT, OR BYLAWS AND ARTICLES OF INCORPORATION IN 2021:

Cathy Hagner retired as the Vice President of Operations.

Erik M. Shaw resigned from the board.

Board Member Jody Briggs passed away.

Tierrany Decuir accepted a position on the Supervisory Committee.

Chad Womack accepted a position on the Supervisory Committee.

Jamie Evans accepted a position on the Supervisory Committee.

### Bylaw Amendments:

Emergency Virtual Annual and Special Membership Meetings are now allowed under certain conditions.

Meetings of Directors may be held by telephone or electronic means.

5Pt Field of Membership was increased by adding:

Persons who live, work, worship or attend school along with business and local entities located within: Chambers, Galveston, Grimes, Harris, Liberty, Montgomery, Polk, San Jacinto, Tyler, Walker and Waller Counties, Texas to be eligible for membership in the credit union.

Reduction of Board members from 11 to 9.

### Credit Union Operation Changes:

Reduced the prime share deposit from \$25 to \$5.

Relocated the Orange Branch to 3728 N 16th St.

Opened an ATM/Live Teller on 2275 Hwy 87, Crystal Beach.

# SUPERVISORY COMMITTEE REPORT

Karol Russell

*The Credit Union Department of the State of Texas and National Credit Union Administration (NCUA) conducted their joint annual regulatory examination of 5Point Credit Union as of June 30, 2021.*

The State Credit Union Department is the state agency responsible for oversight of all state chartered credit unions in Texas. NCUA is the federal government agency that issues insurance for the credit union deposits. The examination findings continue to be positive and all findings are being addressed by management. NCUA informed the credit union that existing operations were sound.

The internal auditors conducted internal control reviews under the direct supervision of the Supervisory Committee in 2021. The purpose of these reviews was to identify and strengthen any observed areas of concern that management may be aware of, if any.

It was the opinion of the C.P.A. firm Doeren Mayhew Certified Public Accountants and Advisors that the credit union financial statements present fairly, in all material aspects, the financial position of the credit union as of December 31, 2020.

The following records of 5Point Credit Union for the year ended December 31, 2021, will be audited by the C.P.A. firm Doeren Mayhew Certified Public Accountants and Advisors: statements of financial condition, related statements of income and statements of changes in members' equity and cash flows. These records will be audited in March of 2022.

## FINANCIAL STATEMENT

2021

2020

### STATEMENT OF EARNINGS Balance Sheet

Cash on Hand	91,075,956	107,157,943
Loans (Net of Allowances for Loss)	568,812,958	525,895,575
Investments	119,095,904	93,686,595
Furniture and Equipment	25,507,037	24,345,208
Other Assets	28,978,554	27,104,825
Total Assets	<u>\$833,470,409</u>	<u>\$778,190,145</u>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Accounts Payable and Accrued Expense	5,680,208	4,551,550
Notes Payable	-	-
Dividends Payable	-	-
Total Liabilities	<u>\$5,680,208</u>	<u>\$4,551,550</u>
<b>MEMBER SHARES/DEPOSITS AND EQUITY</b>		
Member Shares/Deposits	745,474,927	695,075,520
Statutory Reserve Fund	3,782,208	3,782,208
Undivided Earnings	79,376,513	73,551,215
Unrealized Gain on Investments	(843,447)	1,229,652
Total Member Shares/Deposits and Equity	<u>\$827,790,201</u>	<u>\$773,638,595</u>
Total Liabilities and Equity	<u>\$833,470,409</u>	<u>\$778,190,145</u>
<b>INCOME STATEMENT</b>		
Operating Income:		
Loan Income	27,626,679	26,921,224
Investment Income	1,217,135	1,237,311
Other Income	16,426,959	14,967,306
Total Operating Income	<u>\$45,270,773</u>	<u>\$43,125,842</u>
Total Operating Expenses	<u>\$36,270,411</u>	<u>\$35,698,064</u>
Net Operating Income (Before Gains/Losses)	\$9,000,362	\$7,427,779
Non-Operating Gains and (Losses)	537,403	(23,717)
Net Income (Before Taxes and Dividends)	\$9,537,765	\$7,404,061
Federal Income Taxes	-	(32)
Dividends	<u>\$3,712,467</u>	<u>\$5,191,984</u>
Net Income	<u>\$5,825,298</u>	<u>\$2,212,110</u>

## TREASURER'S REPORT

James R. Saxon

*We ended the year with assets at \$833,470,409. This number grew by \$55,280,264 from yearend 2020 with the major increase coming from member deposits. Total income before expenses and dividends was \$45,270,773; expenses including taxes and dividends and non-operating gains were \$39,445,475, leaving a net income of \$5,825,298.*

## KEY AREAS

*Our key areas from 2020 to 2021 showed the following changes: shares +7.25%, total assets +7.10% and total loans +7.95%. 5Point Credit Union remains well capitalized at 9.95%. The credit union's loan growth is a direct result of the community's confidence in the stability of our credit union, competitive products and friendly staff.*

## MEMBERSHIP UPDATE

*2021 was a very busy year for 5Point Credit Union with a total membership of 49,548 members as of December 2021. This reflects a 2.7% increase for 2021. The increase is a result of our continued efforts of outreach in identifying dormant accounts.*

## MEMBER APPRECIATION

*The Board of Directors thanks you for your continued support, trust and confidence because without you, the credit union would not continue to grow and operate efficiently. The Board of Directors' ongoing goal is to provide members quality products and services, a fair rate of return, to safeguard deposits and maintain a well-capitalized and financially sound credit union. Thank you for allowing us to serve you, the members.*

*5Point Credit Union offers savings and checking accounts, online banking, loans, safe deposit boxes, and investments.*