



2023 Annual Report



A Message from Erik Shaw

President and CEO

I would like to take this opportunity to welcome everyone to the 2023 annual meeting of membership for 5Point Credit Union. Last year saw our economy perform a bit better than expected as we began the year faced with fears of a potential recession and rapidly increasing inflation. The economy proved resilient, however, as we experienced solid growth that was driven by strong consumer spending and steady job growth, while inflation remained manageable enough to ward off an outright recession. The Federal Reserve finally slowed down rate increases during the latter part of the year as inflation fears calmed down.

This has us pointing to 2024 with cautious optimism, although election years can always be tricky.

Here at 5Point, we stand ready to meet the ever-changing needs of the marketplace. In this age of technology, things change and evolve at a much more rapid pace than ever before, and we have to be ready to meet those changes as they occur. Even as things change, your credit union continues to grow and thrive. During 2023, we experienced strong growth in deposits, loans, and membership once again. As of year-end 2023, we finished with \$940 million in total assets with loans totaling over \$734 million. We also had one of our best years with regards to overall membership growth as we now have over 53,000 members who call 5Point Credit Union home. We rolled out exciting updates to both our Port Arthur and Nederland branches in 2023 as well and they have been very well received. As promised, we continued to develop and build our digital delivery service channels and see more and more members take advantage of these convenient offerings as well.

As we move into the new year, we are looking forward to exciting upgrades to our Lumberton branch as well as a brand new location in Magnolia, Texas. We will continue to place a heavy emphasis on member convenience and operational efficiency as we evolve with the rapidly changing financial services landscape. One thing that will not change is our commitment to you, our members. No matter how you choose to do business with us, whether in person or online, our commitment to you is best summarized in our mission statement, "To Improve the Quality of Life for Our Members and the Community." No matter how much the world around us changes, that commitment will not.



5Point Credit Union Offers:

Savings and checking accounts, online banking, loans, safe deposit boxes, and investments.



Board of Directors

R. Glenn Johnson | **Chairman** | *Re-election 2026*

Joe Dickson | **1st Vice Chairman** | *Re-election 2026*

John Comeaux | **2nd Vice Chairman** | *Re-election 2026*

James R. Saxon | **Secretary- Treasurer** | *Re-election 2024*

Angelo "Louis" Anselmo | *Re-election 2024*

Denny Winter | *Re-election 2025*

Jack Thornton | *Re-election 2025*

Karol Russell | *Re-election 2026*

Hilton Ferguson, Jr. | *Re-election 2026*

Supervisory Committee

Karol Russell

Supervisory Committee Chair/Board Representative

Troy Robinson

Allen Sedtal

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Chad Womack

Jamie Evans

Chairman's Report

R. Glenn Johnson



Welcome to the 88th 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 each year, and 2023 was no different. We sponsored and supported many community events, walks, and also provided financial education to local schools.

We awarded eight 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. We also awarded ten scholarships to employees, or their children, for ongoing education.

Employees raised over \$5,500 through our CARE fund this year. The total amount raised was then matched by the credit union and donated to Ability Central Works and C.A.S.A. of Southeast Texas. We were also proud to provide Christmas gifts to families in need through KFDM's Toyfeast, as well as host a KFDM drop site this year.

We continued making impacts through the 5Point Kindness Project, an initiative to promote good deeds and give back to the communities we serve. We collected items for local animal shelters, delivered valentines to senior living centers, celebrated the first day of spring with flowers and gift cards in the community, collected items in support of Autism Awareness Month, spoiled teachers with sweet treats, surprised movie-goers with gift cards in the summer, beat the heat with free snow cones, cleared teacher's Amazon Wish Lists for back to school, purchased hamburgers from diners for customers throughout the community, bought turkeys and pies for shoppers at Thanksgiving, and surprised members calling into the credit union with \$100 cash gifts during the holiday season.

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.

Supervisory Committee Report

Denny Winter

The Credit Union Department of the State of Texas and National Credit Union Administration (NCUA) conducted their joint regulatory and safety and soundness examination of 5Point Credit Union as of September 30, 2022. 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 credit union deposits. The examination findings continue to be positive, and all findings are being addressed by management. Regulators informed the Credit Union that existing operations were sound. The internal auditor conducted internal control reviews under the direct supervision of the supervisory committee in 2023. The purpose of these reviews was to identify and strengthen any observed areas of concern that management needs to 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 on December 31, 2022. The following records of 5Point Credit Union for the year ended December 31, 2023, 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 2024.

Changes to Board, Supervisory Committee, Senior Management, or Bylaws and Articles of Incorporation in 2023:

Carrie Strong promoted to Vice President of Human Resources

Ethan Worthy was hired as Vice President of Business Lending (Houston Market)

Kristen Bellanger promoted to Executive Vice President/Chief Operating Officer

Jennifer Webb promoted to Executive Vice President/Chief Administrative Officer

Christie Lummus promoted to Senior Vice President of Lending

Chasidy Bohanan promoted to Senior Vice President of Operations

Karol Russell resigned from the Board of Directors and Supervisory Committee Chair - last day 12/31/2023

Denny Winter, Board Member accepted Supervisory Committee Chair Position

Bylaw Amendments:

There were not any bylaw amendments for the year 2023.

Credit Union Operational Changes:

Remodeled and rebranded the Port Arthur and Nederland branches and drive-thrus.

The Lumberton drive-thru now offers both ATM and Live Teller capabilities.

We added the Magnolia Village branch and plan to open early 2024.

Opened a Live Teller System on N. Main in Vidor.

Changed safe deposit box replacement key fee to market cost.

Treasurer's Report

James R. Saxon

FINANCIAL STATEMENT			
STATEMENT OF EARNINGS	<i>Balance Sheet</i>	2022	2023
Cash on Hand		56,630,705	40,409,965
Loans (Net of Allowances for Loss)		648,253,333	729,279,275
Investments		111,170,195	98,927,210
Fixed Assets		27,176,287	30,010,698
Other Assets		31,631,604	42,071,560
Total Assets		<u>\$874,862,124</u>	<u>\$940,698,708</u>
LIABILITIES AND EQUITY			
Liabilities:			
Accounts Payable and Accrued Expense		5,987,822	6,542,832
Notes Payable		-	30,000,000
Dividends Payable		-	506,908
Total Liabilities		<u>\$5,987,822</u>	<u>\$37,049,740</u>
MEMBER SHARES/DEPOSITS AND EQUITY			
Member Shares/Deposits		794,721,062	827,611,544
Statutory Reserve Fund		3,782,208	3,782,208
Undivided Earnings		84,321,755	84,656,301
Unrealized Gain on Investments		(13,950,723)	(12,401,085)
Total Member Shares/Deposits and Equity		<u>868,874,302</u>	<u>\$903,648,968</u>
Total Liabilities and Equity		<u>\$874,862,124</u>	<u>\$940,698,708</u>
INCOME STATEMENT			
Operating Income:			
Loan Income		30,035,609	38,784,041
Investment Income		2,215,255	2,841,824
Other Income		17,182,890	17,212,510
Total Operating Income		<u>49,433,754</u>	<u>58,838,375</u>
Operating Expenses		40,078,583	43,500,796
Net Operating Income (Before Gains/Losses)		9,355,171	15,337,579
Non-Operating Gains and (Losses)		(288,103)	(1,033,165)
Net Income (Before Taxes and Dividends)		9,067,068	14,304,414
Federal Income Taxes		-	-
Dividends		<u>4,121,826</u>	<u>11,997,710</u>
Net Income		<u>\$4,945,242</u>	<u>\$2,306,704</u>

Treasurer's Report

James R. Saxon

We ended the year with assets at \$940,698,708. This number grew by \$65,836,584 from year end 2022 with the major increase coming from loans. Total income before expenses and dividends was \$58,838,375; expenses including taxes and dividends were \$56,531,671 leaving a net income of \$2,306,704.

Key Areas

Our key ratios from 2022 to 2023 showed the following changes: shares+4.14%, total assets +7.53% and total loans+12.83%. 5Point Credit Union remains well capitalized at 9.37%. 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

2023 was a very busy year for 5Point Credit Union with a total membership of 53,756 members as of December 2023. This reflects a 3.97% increase for 2023. The increase is a result of our continued efforts of outreach in identifying dormant accounts.

Member Appreciation

The 5Point Credit Union 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, our members.

