

ANNUAL REPORT 2020

A MESSAGE FROM ERIK M. SHAW President & CEO



When What can we say that has not already been said about 2020? This truly proved to be one of the most challenging years that any of us have ever experienced due to the COVID-19 pandemic. Add to that a couple of storms during our very busy hurricane season and suffice to say we are glad to put 2020 in our rearview mirror. Despite the numerous challenges, the credit union experienced another very good year. We experienced growth in deposits, loans, as well as membership. We finished 2020 with significant growth in assets over 2019 and now stand at \$778 million with loans totaling over \$529 million. The total membership for the credit union now stands at over 48,000 as we continue to grow in this area as well. All of these numbers indicate a healthy credit union that is poised to serve you for years to come.

As we move forward from 2020, we remain committed to bringing you the absolute best in financial services. 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 our mission, and we also sincerely thank you for your continued membership.

CHAIRMAN'S REPORT

R. Glenn Johnson

Welcome to the 85th 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 2020. 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.

TREASURER'S REPORT James R. Saxon

We ended the year with assets at \$778,190,145. This number grew by \$99,877,250 from yearend 2019 with the major increase coming from member deposits. Total income before expenses and dividends was \$43,125,842; expenses including taxes and dividends were \$40,913,733, leaving a net income of \$2,212,110.



2020 was a very busy year for 5Point Credit Union with a total membership of 48,241 members as of December 2020. This reflects a 1.36% increase for 2020.The increase is a result of our continued efforts of outreach in identifying dormant accounts.



Our key areas from 2019 to 2020 showed the following changes: shares +16.10%, total assets +14.72% and total loans +6.08%. 5Point Credit Union remains well capitalized at 9.89%. 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.

Federally Insured by NCUA

BOARD OF DIRECTORS

SUPERVISORY COMMITTEE

Karol Russell | Supervisory Committee Chair/Board Representative Troy Robinson Allen Sedtal

CHANGES TO BOARD, SUPERVISORY COMMITTEE, SENIOR MANAGEMENT, OR **BYLAWS AND ARTICLES OF INCORPORATION IN 2020:**

Chasidy Bohanan named Vice President of Operations

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 March 31, 2020.

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 reports 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 2020. 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 presented fairly, in all material aspects, the financial position of the credit union as of December 31, 2019.

The following records of 5Point Credit Union for the year ended December 31, 2020, 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 2021.



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.

FINANCIAL STATEMENT

STATEMENT OF EARNINGS Balance Sheet

Cash on Hand	107,157,943	94,010,832
Loans (Net of Allowances for Loss)	525,895,575	495,635,777
Investments	93,686,595	39,338,829
Furniture and Equipment	24,345,208	26,038,781
Other Assets	27,104,825	23,288,675
Total Assets	\$778,190,145	\$678,312,895
LIABILITIES AND EQUITY		
Liabilities:		
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Accounts Payable and Accrued Expense	4,551,550	4,597,396
Notes Payable	-	-
Dividends Payable		
Total Liabilities	\$4,551,550	\$4,597,396
MEMBER SHARES/DEPOSITS AND EQUITY		
Member Shares/Deposits	695,075,520	598,674,781
Statutory Reserve Fund	3,782,208	3,782,208
Undivided Earnings	73,551,215	71,339,106
Unrealized Gain on Investments	1,229,652	(80,596)
Unrealized Gain on investments	1,229,032	(80,390)
Total Member Shares/Deposits and Equity	\$773,638,595	\$673,715,499
Total Liabilities and Equity	\$778,190,145	\$678,312,895
INCOME STATEMENT		
Operating Income:		
Loan Income	26,921,224	26,395,579
Investment Income	1,237,311	1,709,482
Other Income	14,967,306	15,398,011
Total Operating Income	\$43,125,842	\$43,503,072
Total Operating Expenses	\$35,698,064	\$35,356,834
Net Operating Income (Before Gains/Losses)	\$7,427,779	\$8,146,238
Non-Operating Gains and (Losses)	(23,717)	(14,026)
Net Income (Before Taxes and Dividends)	\$7,404,061	\$8,132,213
Federal Income Taxes	(32)	16,471
Dividends	(32) \$5,191,984	\$4,677,018
Net Income	\$2,212,110	\$3,438,724
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5Point Credit Union offers savings and checking accounts, online banking, loans, safe deposit boxes, and investments.