

# 2023 ANNUAL REPORT



**essential**  
CREDIT UNION

ESSENTIAL CREDIT UNION





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# CEO'S REPORT



**RICK WILLIAMS**

*President / Chief Executive Officer*

It is without doubt that the 2023 economic cycle challenged many financial institutions with the failure of Silicon Valley Bank, Signature Bank and Silvergate Bank to name a few. I am pleased to say that Essential Credit Union remains strong and ready to serve our members.

Our vision remains unchanged "Building a better community through service, integrity, and financial innovation. Your community credit union for all stages of life."

We introduced Interactive Teller Machines (ITMs), and continued our investments in our digital banking channel, as well as expanded our business lending. We also welcomed the membership of the Priority Postal Credit Union of Pasadena, Texas into the Essential family. We had a blessed year and look forward to 2024 as another year of opportunity and growth.

I would like to thank our members, directors, and volunteers for all your dedication and work! I would like to thank the Essential team for their work and commitment to making Essential a credit union dedicated to serving its members.

"The best way to find yourself is to lose yourself in service to others." - Gandhi

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Williams, Jr.", written in a cursive style.

Richard Williams, Jr.  
President/CEO

# COMMUNITY OUTREACH



## HOPE MINISTRIES

Through our partnership with Elan Credit Card and the Elan Charitable Giving program, Essential was awarded \$12,500 to give to a charity of our selection. Hope Ministries, whose mission is to prevent homelessness and promote self-sufficiency and dignity, was chosen to receive this generous donation.



## GULF COAST HOUSING PROGRAM

Essential proudly provided the predevelopment funding for the GCHP Government Corridor development. This is a scattered-site affordable workforce housing dedicated to those making 60% AMI or below. The development includes 31 apartments within 34 single and duplex-style homes near Government Street in the Mid City neighborhood of Baton Rouge.

# SPONSORSHIPS

## DOG DAYS OF SUMMER

Dog essentials were collected at all branches and available dogs for adoption were featured on Essential's social media.

51 dogs were adopted and hundreds of supplies were collected for Friends of the Animals.



## BRANDI'S BOOK DRIVE

Essential collected books at all branches and hosted a drive-thru drop-off event.

Over 25,000 books were collected and distributed to local children.



## SYLVIA'S TOYS FOR CHRISTMAS

The community was invited to drop toys off at all branches and at our Toy-Drive Drive-Thru.

Nearly 4,000 toy bags were distributed to local children in need.



# BOARD CHAIR'S REPORT



**JOEY JUSTICE**

*Chair, Board of Directors*

The financial services industry continues to evolve, and the credit union movement continues to work towards meeting the ever-changing financial needs of its members. The question of how to better serve the members remains at the forefront of the credit union. At Essential we know that our members have many choices when it comes to how to handle their daily banking needs and we are committed to making Essential their first choice.

We continue to enhance our digital banking offerings to ensure that we are offering our members a robust, secure, and convenient mobile and online banking option. We have also introduced Interactive Teller Machines (ITMs) to provide our members with the ability to choose self-service or teller assisted banking.

As we continue to grow in assets and membership, we will continue to explore opportunities to merge with credit unions that share our commitment in meeting the needs of the membership. We are proud to announce that the membership of Priority Postal Credit Union and its staff have joined the Essential family and team. This merger has allowed Essential to expand in the greater Houston, Texas market and an opportunity to serve a broader membership.

In conclusion, I would like to thank the membership, my fellow directors and committee members, as well as the Essential team for their support, work, and dedication to the credit union.

Sincerely,

Joey B. Justice  
Chairman

# BOARD OF DIRECTORS



**ROBBIE BAGALEY**

Secretary



**SUE HUNT**

Director



**EDMOND JORDAN**

Treasurer



**JOEY JUSTICE**

Board Chair



**MARY OVERALL**

Director



**LISA PERRY**

Director



**STEPHAN PIERRE**

Vice Chair



**PERRY ROBEY**

Director



**KENITH WOODALL**

Director

Essential Credit Union's success is dependent upon the commitment of our members — a commitment to sharing resources to meet the needs of all. Every decision we make is to serve your financial needs. You have the power to direct our credit union through electing a Board of Directors to serve Essential on a volunteer basis.

The nine-person Board of Directors is made up of members like you. They each serve three-year terms and never receive any monetary compensation for their efforts. Their goal is to make sure Essential continues to serve its members with dedication, service and convenience — just like we've been doing for more than 50 years. We would like to express our sincere gratitude to our Board, whose commitment to excellence drives their service to the membership.

# SENIOR MANAGEMENT



**DAVID  
BEAM**

VP of Lending



**ALLISON  
BROWN**

Chief Marketing Officer



**KRUGERRAND  
HOLLINS**

Chief Technology Officer



**LADONNA  
EVANS-SUTTON**

VP of Commercial Services



**STEVE  
LATTUCA**

Chief Finance Officer



**WES  
MOREAU, III**

Chief Lending Officer



**KARESA  
PIERRE**

Chief Administrative Officer



**KONYA  
BOURRIAGUE**

Executive Assistant



# TREASURER'S REPORT



**EDMOND JORDAN**

*Treasurer, Board of Directors*

It is always a focus of the Board and the Essential team to maintain a safe and sound financial operation.

I am pleased to report that Essential has solid earnings, asset growth and net worth. Return on average assets for the year ended at .33%. Our net worth ratio for the year ended was 9.11%. Our regulators deem a net worth ratio greater than 7.00% as being "well capitalized." Additionally, the credit union reported loan and asset growth of over 2% for the year ended.

Essential continues to build on a solid financial foundation for the future!

I would like to thank the Board of Directors and the Essential team for their work and commitment to our credit union.

Sincerely,

Edmond Jordan  
Treasurer

TOTAL ASSETS

\$386M

NET INCOME

\$1.2M

ASSET GROWTH

+2.00%

NET WORTH RATIO

9.11%

# SUPERVISORY COMMITTEE



**LOUISE CROCHET**

*Chairperson*

One of the key responsibilities of the Supervisory Committee is to engage an accounting firm to audit the financial reports of the credit union. The committee has engaged the firm of Clifton Larson Allen, LLP to audit the financial reports. Additionally, the committee is responsible for the internal audit of the credit union and has engaged the services of Horne, LLP to conduct internal audits for the credit union. The committee is pleased to report that there are no unresolved internal audit issues, and the internal audit process adequately meets the needs of an organization of our asset size. Additionally, there are no unresolved external audit issues, and the external audit is being conducted in accordance with all applicable regulations and standards.

As Chair of the committee, I would like to thank my fellow committee members for their time and service.

Sincerely,

Louise Crochet  
Chairperson



**STEPHAN PIERRE**

*Secretary*



**RODNEY COMBS**

*Member*



**BOYD COURVILLE**

*Member*



**SHERMAN DUPRE**

*Member*

# NEW NEWS



## ESSENTIAL PROMISE FOUNDATION

Essential launched the Essential Promise Foundation, which will expand our community outreach and improve the quality of life for those around us by focusing on education, the arts, and health and wellness.



## NEW DRIVE-THRU AT TOWNE CENTER

This cutting-edge technology allows members to conduct a wide range of banking activities from the comfort of their vehicles without removing their connection to a real-life teller.



## PRIORITY POSTAL CREDIT UNION ACQUISITION

Essential's acquisition of Priority Postal Credit Union in Pasadena, TX marks a significant expansion of Essential's footprint in the region. This move strengthens Essential's position as a leading credit union, committed to providing exceptional service and value to its growing membership base.



## EXTENDED HOURS & PLAQUEMINE RENOVATIONS

All branches are now open until 1pm on Saturday, while the Gonzales and Siegen location is now open until 6pm Monday - Friday! In addition to this update, we're excited to announce renovations are taking place at our Plaquemine Branch to enhance your banking experience.

# ESSENTIAL'S FINANCIALS

## STATEMENTS OF INCOME

2023

2022

### INTEREST INCOME

Income on Loans	\$16,048,192	\$13,499,206
Interest on Investments	\$892,450	\$481,888
<i>Interest Income</i>	<i>\$16,940,642</i>	<i>\$13,981,094</i>

### INTEREST EXPENSE

Member Dividends on Share Accounts	\$2,857,568	\$1,622,591
Interest on non-member shares	\$2,092,221	\$1,136,841
Interest on Borrowed Funds	\$209,589	\$120,146
Total Interest Expense	\$5,159,378	\$2,879,578
<i>Net Interest Income</i>	<i>\$11,781,264</i>	<i>\$11,101,516</i>
Provisions for Loan Losses	\$1,125,000	\$200,000
<b>NET INTEREST INCOME after Provision</b>	<b>\$10,656,264</b>	<b>\$10,901,516</b>

### NON-INTEREST INCOME

Fees and Service Charges	\$6,871,031	\$7,158,044
Rental income	\$713,220	\$625,240
Other Non-Interest Income	\$452,580	\$984,376
<i>Total Non-Interest Income</i>	<i>\$8,036,831</i>	<i>\$8,767,600</i>

### NON-INTEREST EXPENSE

Compensation & Benefits	\$8,011,653	\$7,764,518
Operation Expenses	\$3,773,303	\$4,504,478
Other operating expenses	\$1,581,357	\$1,763,254
Occupancy Expense	\$1,678,648	\$1,570,739
Professional & Outside Services	\$1,842,318	\$1,811,357
Advertising	\$553,385	\$453,839
<i>Non-Interest expense</i>	<i>\$17,440,664</i>	<i>\$17,868,185</i>

### NET INCOME

**\$1,252,431**

**\$1,800,991**

ASSETS	2023	2022
Cash and cash equivalents	\$20,077,301	\$19,051,414
Investments: Available-for-sale	\$9,295,075	\$9,884,579
Cash surrender value of life insurance	\$5,256,491	\$5,117,080
Loans receivable, net of allowance for loan losses of \$3,010,288 in 2023 and \$1,388,385 in 2022	\$315,668,603	\$308,822,087
Accrued interest receivable	\$1,136,080	\$898,987
Federal Home Loan Bank (FHLB) stock	\$1,017,000	\$963,600
Premises and equipment, net	\$24,222,869	\$23,593,304
National Credit Union Share Insurance Fund deposit	\$3,255,530	\$3,074,273
Other assets	\$6,436,914	\$6,339,993
<b>TOTAL ASSETS</b>	<b>\$386,365,863</b>	<b>\$377,745,317</b>

LIABILITIES & MEMBERS' EQUITY	2023	2022
Members' share and savings accounts	\$279,950,120	\$298,434,408
Non-member shares	\$58,657,796	\$41,218,543
Borrowings	\$8,999,881	-
Accrued expenses and other liabilities	\$4,626,111	\$3,466,697
<i>Total Liabilities</i>	\$352,233,908	\$343,119,648
Regular reserve	\$7,390,893	\$7,390,893
Subordinated Debt	\$2,500,000	\$2,500,000
Accumulated other comprehensive income	(\$1,063,425)	(\$1,256,746)
Undivided earnings	\$25,191,169	\$25,938,739
Equity acquired in merger	\$113,318	\$52,783
<i>Total members' equity</i>	\$34,131,955	\$34,625,669
<b>TOTAL LIABILITIES &amp; MEMBERS' EQUITY</b>	<b>\$386,365,863</b>	<b>\$377,745,317</b>

# PRODUCTS & SERVICES

## DEPOSIT ACCOUNTS

- Personal Savings Accounts
- Club Savings Accounts
- Reward Checking Accounts
- Simple Checking Accounts
- Certificate & IRAs
- Business Checking Accounts

## CONSUMER LOANS

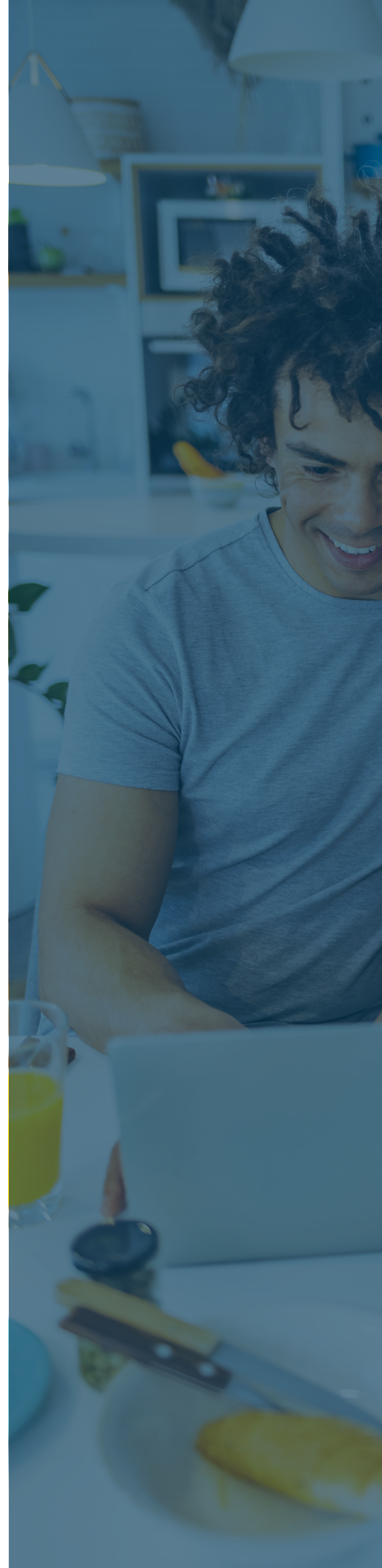
- New & Used Auto Loans
- New & Used Boat Loans
- Motorcycle, RV and ATV Loans
- Secured & Unsecured Loans
- VISA Credit Cards

## MORTGAGE LOANS

- Conventional Mortgages
- HomeReady Mortgage
- FHA Home Loans
- VA Loan Program

## BUSINESS BANKING

- Business Savings Accounts
- Business Checking Accounts
- Merchant Services
- Commercial Real Estate Loans
- Term Loans for Business Expansion
- SBA Loans
- Business VISA Credit Card
- Business Lines of Credit





## FINANCIAL SERVICES

- Financial Education
- Retirement Plans
- Insurance Products

## ONLINE SERVICES

- Free Online Banking
- Free Mobile Banking
- Free Electronic Statements
- Free Bill Pay Option
- Electronic Check Deposits
- Zelle
- Money Management
- Electronic Account Alerts
- Secure Messaging
- Scheduled Transfers
- Easy Loan Payments
- Account Opening
- Apply for Loans
- Skip-A-Payment

## CONVENIENT SERVICES

- Virtual Visits
- Full-Service Contact Center
- Co-Op Share Branching
- Fee Free ATM Networks
- Free Debit Card
- Direct Deposit
- 24-Hour Telephone  
& Online Access
- Certified Checks
- Wire Transfers
- Overdraft Protection

# BRANCH, DRIVE-THRU & ATM LOCATIONS

## PLAQUEMINE

21925 Highway 1 South  
Plaquemine, LA 70764

## BATON ROUGE

6725 Siegen Lane, Suite K  
Baton Rouge, LA 70809

## GONZALES

1051 North Airline Highway  
Gonzales, LA 70737

## WALKER

28645 Walker South Road  
Walker, LA 70785

## TOWNE CENTER

*DRIVE-THRU ONLY*  
2370 Towne Center Blvd  
Baton Rouge, LA 70806

## PASADENA

1199 Pasadena Blvd  
Pasadena, TX 77501

## CENTRAL

*ATM ONLY*  
10513 Sullivan Road  
Central, LA 70837