

2024

ANNUAL REPORT



essential
CREDIT UNION



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BOARD CHAIRMAN & PRESIDENT/CEO LETTER



JOEY JUSTICE

Chair, Board of Directors



RICK WILLIAMS

President / Chief Executive Officer

The credit union movement continues to face more competition and regulation each year, which requires our organization to constantly evaluate several strategies to remain viable and competitive. Nonetheless our focus remains on meeting the needs of our members!

We continue to expand our delivery methods, by increasing our digital banking capabilities to provide convenience to our members. This has been demonstrated by our continued deployment of enhancements to our online and mobile banking, as well as the deployment of Interactive Teller Machines (ITMs) in our branches. As we work through the year, we will continue to focus on more opportunities to provide banking convenience and access.

We are proud of the progress the credit union continues to make and are pleased with the expansion into the Houston market. This expansion allows us to serve current and future members.

We know that there will always be challenges with the economy and the competitive market, but we remain well positioned to navigate the future. I would like to thank our members for their loyalty and my fellow directors and volunteers for their support and guidance. Finally, thank you to the Essential team for their work and commitment to the daily operations of our credit union.

Joey B Justice
Board Chairman

Richard Williams, Jr.
President/CEO

ESSENTIAL TAG & TITLE

A YEAR OF GROWTH AND CONVENIENCE

At Essential Credit Union, we are always looking for ways to enhance convenience and provide valuable services to our members. One of our most exciting additions has been Essential Tag and Title LLC, a dedicated service designed to streamline vehicle registration and title transfers. This year, Essential Tag and Title has experienced tremendous growth, helping countless members and non-members navigate the often-complicated process of vehicle documentation with ease.



EXPANDING SERVICES, ENHANCING EFFICIENCY

Essential Tag and Title provides a wide range of services, including vehicle registrations, title transfers, and license plate renewals. By offering these services in-house, we eliminate the need for members to visit multiple locations or wait in long lines. Our knowledgeable staff ensures that each transaction is completed accurately and efficiently, saving time and reducing stress.

A COMMITMENT TO CUSTOMER SATISFACTION

Member experience is at the heart of everything we do. Our tag and title team has worked diligently to provide personalized service, answering questions and guiding members through every step of the process. Whether assisting first-time car buyers or those transferring out-of-state titles, our team delivers professional, friendly, and efficient service.

LOOKING AHEAD

As we continue to grow, we remain committed to finding new ways to enhance and expand our services. Essential Tag and Title is exploring additional offerings to better serve our community and make vehicle documentation even more seamless. Our goal is to provide a one-stop shop for financial and administrative services, ensuring that our members receive the highest level of convenience and care.

Thank you for trusting Essential Credit Union and Essential Tag and Title. We look forward to continuing to serve you with innovation and excellence.

SPONSORSHIPS

DOG DAYS OF SUMMER

Essential Credit Union partnered with WBRZ and Friends of the Animals to help shelter dogs. Members and the community donated dog essentials at all branches, a jambalaya lunch sale was hosted at Essential's Operation Center, and adoptable pups were showcased on social media.

IMPACT: 45 dogs found loving homes, \$1,000 was raised and hundreds of pet supplies were collected to support local rescues.



BRANDI'S BOOK DRIVE

Through branch donations and a special drive-thru drop-off event, Essential helped put books into the hands of children in our community.

IMPACT: Over 25,000 books were collected and distributed, fostering a love for reading among local kids.



SYLVIA'S TOYS FOR CHRISTMAS

Spreading holiday joy, Essential welcomed the community to donate toys at all branches and during a festive Toy Drive-Thru event.

IMPACT: An estimated 7,500 toys were distributed, bringing smiles to children in need during the holiday season.



BOARD OF DIRECTORS

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.





ROBBIE BAGALEY
Secretary



LOUISE CROCHET
Director



SUE HUNT
Director



EDMOND JORDAN
Treasurer



JOEY JUSTICE
Board Chair



LISA PERRY
Director



STEPHAN PIERRE
Vice Chair



PERRY ROBEY
Director



KENITH WOODALL
Director

SENIOR MANAGEMENT



DAVID BEAM
VP of Lending



KONYA BOURRIAGUE
Executive Assistant



ALLISON BROWN
Chief Marketing Officer



LADONNA EVANS-SUTTON
VP of Commercial Services



KARESA HALL
Chief Administrative Officer



KRUGERRAND HOLLINS
Chief Technology Officer



WES MOREAU
Chief Lending Officer



SHANDRA WILLIAMS
VP of Member Solutions

TREASURER'S REPORT



EDMOND JORDAN

Treasurer, Board of Directors

Essential remains a financially safe and sound institution ready to meet the needs of our membership and our community. Our Net Worth Ratio at year end was 8.31% and the National Credit Union Administration considers a credit union “well capitalized” at 7.00%. For the year, the credit union made a significant provision to the Allowance for Loan Loss to maintain compliance with new accounting rules related to Current Expected Credit Losses (CECL), as a result the credit union did post a loss for 2024. We believe that we have adequately met the threshold for CECL and expect to have reasonable provisions for 2025.

While the economy presents its challenges, we are confident that the credit union is well positioned for the future.

As always, I would like to thank my fellow board members and the employees of the credit union for their time and hard work. I would also like to thank the members for their continued support of Essential.

Edmond Jordan
Treasurer

NET
WORTH
RATIO

8.31%

SUPERVISORY COMMITTEE



BOYD COURVILLE

Chair, Supervisory Committee

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 CliftonLarsonAllen, LLP, to audit the financial reports. At the time of this letter the financial audit is in progress and the unaudited financial statements have been provided for this annual report.

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

Sincerely,

Boyd Courville
Chairperson



STEPHAN PIERRE

Secretary



VELVET CABALLERO

Member



RODNEY COMBS

Member



SHERMAN DUPRE

Member

BRANCH & SERVICE EXPANSIONS



SEIGEN BRANCH UPGRADE

This year, we celebrated the grand reopening of our Siegen Branch in Baton Rouge with exciting upgrades! We introduced Interactive Teller Machines (ITMs) for faster and more efficient transactions, reducing wait times and enhancing member convenience. The revamped branch also features a sleek, modern design that aligns with our commitment to providing a welcoming, comfortable space for our members.

NEW HOUSTON BRANCH

In a major step forward, we expanded our presence into Houston, Texas, opening a new branch equipped with ITMs allowing us to serve our growing membership in the area with greater ease. The Houston branch represents a significant milestone in our growth, making banking more accessible for both new and existing members.



PLAQUEMINE BRANCH REFRESH

Our Plaquemine Branch received a refresh, providing a more inviting atmosphere while maintaining the same high standard of service our members have come to know. With the branch's updated design, we're ensuring our members continue to experience the best possible service and a comfortable environment for their banking needs.



ESSENTIAL'S FINANCIALS

STATEMENTS OF INCOME

2024

2023

INTEREST INCOME

Income on Loans	\$18,443,162	\$16,048,190
Interest on Investments	\$854,579	\$892,449
<i>Interest Income</i>	<i>\$19,297,741</i>	<i>\$16,940,639</i>

INTEREST EXPENSE

Member Share and Savings Accounts	\$6,792,639	\$4,949,790
Interest on Borrowed Funds	\$540,905	\$209,589
Total Interest Expense	\$7,333,544	\$5,159,379
<i>Net Interest Income</i>	<i>\$11,964,197</i>	<i>\$11,781,260</i>
Provisions for Loan Losses	\$4,140,552	\$1,600,000
NET INTEREST INCOME after Provision	\$7,823,645	\$10,181,260

NON-INTEREST INCOME

Fees and Service Charges	\$2,535,357	\$2,717,577
Interchange Income	\$3,152,871	\$3,110,144
Rental Income	\$320,455	\$713,220
Other Non-Interest Income	\$2,032,224	\$1,869,027
<i>Total Non-Interest Income</i>	<i>\$8,040,907</i>	<i>\$8,409,968</i>

NON-INTEREST EXPENSE

Compensation & Benefits	\$8,275,136	\$8,011,652
Operation Expenses	\$1,762,595	\$1,962,550
Other Operating Expenses	\$5,016,937	\$4,358,456
Occupancy Expense	\$2,457,032	\$2,478,923
Professional & Outside Services	\$786,833	\$647,242
Loss on Sale of Fixed Assets	\$256,788	\$373,138
<i>Non-Interest Expense</i>	<i>\$18,555,321</i>	<i>\$17,831,961</i>

NET INCOME

(\$2,690,769)

\$759,267

ASSETS	2024	2023
Cash and Cash Equivalents	\$29,532,683	\$20,077,457
Investments: Available-For-Sale	\$8,569,656	\$9,295,075
Credit Union Owned Life Insurance	\$5,404,835	\$5,256,491
Other Investments	\$1,529,420	\$1,337,020
Loans Receivable, Net of Allowance for Loan Losses	\$311,043,060	\$315,668,607
Accrued Interest Receivable	\$1,188,016	\$1,119,848
Premises and Equipment, Net	\$24,715,718	\$23,926,611
National Credit Union Share Insurance Fund Deposit	\$3,099,858	\$3,232,314
Other Assets	\$6,514,809	\$6,795,778
TOTAL ASSETS	\$391,598,055	\$386,709,201

LIABILITIES & MEMBERS' EQUITY	2024	2023
Members' Share and Savings Accounts	\$344,848,113	\$338,607,916
Borrowings	\$14,000,000	\$9,000,000
Subordinated Debt	\$2,500,000	\$2,500,000
Accrued Expenses and Other Liabilities	\$1,283,397	\$4,987,461
<i>Total Liabilities</i>	\$362,631,510	\$355,095,377
Undivided Earnings	\$29,986,872	\$32,677,641
Unrealized Gain/(Loss) on Securities Available-for-Sale	(\$1,020,327)	(\$1,063,817)
<i>Total Members' Equity</i>	\$28,966,545	\$31,613,824
TOTAL LIABILITIES & MEMBERS' EQUITY	\$391,598,055	\$386,709,201

PRODUCTS & SERVICES

DEPOSIT ACCOUNTS

- Personal Savings Accounts
- Club Savings Accounts
- Reward Checking Accounts
- Simple Checking Accounts
- Prosperity Rewards 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
- 100% Financing Home Loan
- 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

BATON ROUGE

6725 Siegen Lane
Baton Rouge, LA 70809

CENTRAL

ATM ONLY
10513 Sullivan Road
Central, LA 70837

GONZALES

1051 North Airline Highway
Gonzales, LA 70737

PLAQUEMINE

21925 Highway 1 South
Plaquemine, LA 70764

TOWNE CENTER

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

WALKER

28645 Walker South Road
Walker, LA 70785

HOUSTON

12012 Space Center Blvd
Houston, TX 77059

**WE ARE WHERE
YOU ARE!**