



COMMUNITY SERVICE
CREDIT UNION

ANNUAL REPORT *2022*

Report of the Nominating Committee and Election of Directors

In accordance with the bylaws of Community Service Credit Union, the Board of Directors of Community Service Credit Union appointed a nominating committee composed of:

*Mr. Paul Brown, Chairman

*Mr. Jerry Larrison

*Mr. John Bradley

*Mr. Mike Turner

The nominating committee filed the following nominees with the Secretary of the Board:

*Mrs. Ferne Frosch

*Mr. Dewitt Oleinik

The credit union publicized the vacancies on the credit union website, in each credit union office and on each drive thru window, including notification of the process to make an application to serve. The credit union sent notification to the membership of the process for nominations by petition. The final slate of candidates contains one nominee per vacancy.

Chairman Wayne Scott hereby declared election by acclamation of Mrs. Ferne Frosch and Mr. Dewitt Oleinik for three year terms on the Board on the 23rd day of April, 2022.


Wayne Scott/Chairman of the Board

MINUTES OF THE 2021 ANNUAL MEETING

The Annual Meeting of the membership of Community Service Credit Union was called to order by the Chairman of the Board, Mr. Wayne Scott, on Saturday, April 24, 2021 at 10:00 a.m., virtually in GoTo Webinar. After determining that a quorum was present, Mr. Terry Martin was appointed Recording Secretary.

Mr. Scott welcomed everyone to the 67th Annual Meeting of Community Service Credit Union and introduced the Board of Directors in attendance: Mr. S.O. Woods, Vice-Chairman, Mr. Paul Brown, Secretary, Judge Mike Countz, Treasurer, Mr. John Burney, Mr. Dewitt Oleinik, Mrs. Ferne Frosch, and Mr. Jerry Larrison.

Mr. Scott asked if there were any corrections, deletions, or additions to the minutes of the 2020 Annual Meeting of Community Service Credit Union. There being none, a motion to approve the minutes of the May 30, 2020 Annual Meeting was approved by a majority.

Mr. Scott reviewed highlights of the Annual Report. Community Service Credit Union performed well in the fiscal year 2020. Our December 2020 assets were \$122,293,000, which was an increase over December 2019 by almost 19%. CSCU continues to be a well-capitalized financial institution with a strong net worth ratio of 9.78%. State regulators and the National Credit Union Association monitor our net worth ratio, and they consider a net worth position above 7% well-capitalized. In total, our 11,594 members added almost \$14 million to their savings and checking accounts in 2020. Members borrowed more than \$43 million in 2020, which reflects some optimism in our economy and certainly reflects trust in your credit union to help members and their families with their borrowing needs. CPA firm, Nearman, Maynard and Vallez conducted an independent opinion audit. Our financial statements were determined to have presented fairly and accurately in all material aspects, the financial position of Community Service Credit Union as of September 30, 2020 and the results of its operations and its cash flows for the year that ended in accordance with the generally accepted accounting principles in the US. In support of the SBA's Paycheck Protection Program, CSCU became a 7(a) lender to support small businesses in our community with some much-needed funding. CSCU is proud to have assisted local businesses with over \$1 million in PPP loans.

CSCU's Chief Executive Officer, Ms. Brenda Hooker presented the CEO's Report.

Ms. Hooker briefly detailed the ongoing technology advances in banking and CSCU's implementation of these technologies. CSCU established appointment banking, added 2 staffed video drive-thru lanes at our Montgomery Road location, added video capability to drive-thru lanes at FM 2821, introduced video banking, enhanced the digital account opening and loan closing processes. She further stated as CSCU moves forward we were dedicated to keeping the momentum in creating a small-town financial institution that can rival any megabank. Card Nav was added to CSCU Mobile, construction has begun on our new ATM plaza, an additional drive-thru lane will replace the old ATM to accommodate larger trucks, our lobbies are currently undergoing renovation to add more deposit accepting ATMS with more functionality,

text messaging is coming to soon, CSCU online will be getting an upgrade in July 2021 and finally in early 2022 Zelle will allow members to pay another person without exchanging personal banking information.

In closing Ms. Hooker stated CSCU 's commitment is providing banking services through multiple channels and whenever possible to bring the technology members need. Through it all, CSCU will be there with solutions that will help members bank happy, spend smart and live well. CSCU looks forward to helping members discover new ways to bank.

Mr. DeWitt Oleinik reported Mr. Larry Winkelman, Mr. John Bradley, Mr. Mike Turner, and himself served as the nominating committee to fill the vacancies on the board. As chair of the committee in accordance with the bylaws, the expiring terms were posted and interested parties were invited to make application. The applications for the positions were reviewed and the slate of applications were filed with the secretary of the board. The nominees were submitted to the members with instructions on how they may submit an additional nominee by petition. There were no nominations submitted by petition and they presented the slate of nominations as shown to himself, Mr. Wayne Scott, Mr. John Burney, and Mr. SO Woods, then turned the meeting back of to Mr. Scott for the continuation of the election process. Mr. Scott stated that in accordance with the Credit Unions bylaws he hereby declared the election of the slate of nominees to the respective board positions by acclamation.

Mr. Scott reported that this concluded the business portion of the Annual Meeting. The meeting was adjourned at 10:20.

Terry Martin
RECORDING SECRETARY

CHAIRMAN & CEO REPORT

We're so grateful to have such a great group of members who put their trust in us as a financial partner. We know that you come first, and it's what we strive for every day - providing excellent service with the goal of helping you Bank Happy and Spend Smart, so you can live well.

Highlights from 2021 the year include:

- Selected as Best Credit Union 2021 in the Huntsville Item Readers Choice Awards.
- Through an independent regulatory examination and CPA audit of CSCU's financial, compliance and operating records we have once again been designated as one of the most financially sound credit Unions in Texas.
- Membership at Community Service Credit Union is 11,610 members.
- Total Assets are \$125 million at the end of 2021.
- Community Service Credit Union continues to be a well-capitalized financial institution, with a strong net worth ratio of 10.30%.
- Members added over \$5 million dollars (5.33%) to their deposit accounts from year end 2020 to year end 2021.
- Loans outstanding increased over \$7 million dollars (8.81%) from year end 2020 to year end 2021.
- Delinquencies remain low at .48% of loans outstanding.
- Installed new Deposit Accepting ATMS at FM 2821 with easier Drive Thru Access.
- Updated our Mobile and online banking products including faster availability of Mobile Deposits, processing every two hours on business days we are open.

Digital Services:

Over the past two years, transaction processing has rapidly migrated to ATM, Mobile, Online Banking, Debit and Credit Cards and the need to support members digital services needs has grown exponentially. The goal of the CSCU team is to provide quality support and service for our members, while at the same time supporting a growing consumer population who demand options for transactions to be processed from anywhere - the office, home or even on vacation, thus eliminating the need to visit a branch for simple transactions.

Bylaw Change:

With service to people in our communities in mind, we have made an important change to our bylaws. Based on the continued need for financial services in our counties surrounding Walker County, the Community Service Credit Union board of directors elected to expand the field of membership to include Houston County, San Jacinto County and Grimes County. We did this, as always, with our member-owners in mind, and we're excited about the positive effects this change will bring.

Community Service Credit Union was well prepared during the pandemic and is well positioned for the future. We are pleased to bring you the first annual Discover CSCU and Annual Meeting to give you the time to meet with staff, ask questions and learn more about what is available to members.

As we move into 2022, the credit union commitment to you is to continue to find ways to help people in the communities we serve Bank Happy and Spend Smart so they can Live Well.

Wayne Scott
CHAIRMAN OF THE BOARD

Brenda Hooker
CHIEF EXECUTIVE OFFICER

FINANCIAL REPORT

2021 STATEMENT OF FINANCIAL POSITION

	DEC. 31, 2020	DEC. 31, 2021
ASSETS		
Loans, Net of Allowance	\$83,444,940	\$90,924,922
Cash and Cash Equivalent	\$32,241,591	\$12,418,782
Investments	\$684,598	\$13,347,686
Accrued Interest	\$240,221	\$300,074
Buildings and Equipment	\$3,677,038	\$4,061,407
National CU Share Insurance Fund Deposit	\$992,022	\$1,097,484
Other Assets	\$1,012,966	\$3,227,118
TOTAL ASSETS	\$122,293,376	\$125,377,473

LIABILITIES AND MEMBER DEPOSITS

LIABILITIES

Accounts Payable	\$1,083,432	(\$2,546,156)
Other Payables	\$1,008,710	\$994,321
TOTAL LIABILITIES	\$2,092,142	(\$1,551,835)

MEMBER DEPOSITS

Regular Shares	\$44,152,154	\$50,198,335
Checking	\$32,964,116	\$33,999,003
Certificates of Deposit	\$11,114,221	\$9,178,570
IRA Certificates of Deposit	\$1,912,216	\$2,082,151
Money Market Accounts	\$15,151,545	\$17,031,947
Other Savings, Including IRA Savings	\$1,807,538	\$1,526,188
Brokered Deposits	\$1,142,000	\$0.00
TOTAL DEPOSITS	\$108,243,790	\$114,016,194
Reserves and Undivided Earnings	\$11,957,444	\$12,913,114
TOTAL LIABILITIES, MEMBER DEPOSITS, AND RESERVES	\$122,293,376	\$125,377,473

FINANCIAL REPORT

2021 STATEMENT OF INCOME AND EXPENSES

	DEC. 31, 2020	DEC. 31, 2021
INCOME		
Income from Loans	\$4,636,910	\$4,897,446
Income from Investments	\$47,681	\$118,798
Other Income	\$2,656,761	\$3,087,643
TOTAL OPERATING INCOME	\$7,341,352	\$8,103,887
EXPENSES		
Compensation and Benefits	\$2,280,986	\$2,719,668
Training and Conference	\$50,087	\$60,095
Office Occupancy Expenses	\$273,914	\$285,361
Office operations Expenses	\$616,350	\$635,776
Marketing and Education	\$243,441	\$296,126
Loan Servicing, including Collections	\$389,039	\$400,467
Professional Services	\$2,371,248	\$2,590,860
Other Operating Expenses	\$62,377	\$105,240
Provision for Loan Loss	\$271,392	\$101,941
TOTAL OPERATING EXPENSES	\$6,558,835	\$7,195,534
INCOME FROM OPERATIONS	\$782,518	\$908,352
NON-OPERATING (GAIN) LOSS	(\$198,646)	(\$243,925)
DIVIDENDS AND INTEREST PAID TO MEMBERS	\$362,082	\$197,213
NET INCOME	\$619,082	\$955,064

Board of Directors

WAYNE SCOTT
CHAIRMAN

Term Expires 04/2024

S.O. WOODS
VICE CHAIRMAN

Term Expires 04/2024

MIKE COUNTZ
TREASURER

Term Expires 04/2023

PAUL BROWN
SECRETARY

Term Expires 04/2023

JOHN BURNEY
DIRECTOR

Term Expires 04/2024

FERNE FROSCH
DIRECTOR

Term Expires 04/2022

DEWITT OLENIK
DIRECTOR

Term Expires 04/2022

JERRY LARRISON
ASSOCIATE DIRECTOR

Executive Management

BRENDA HOOKER
CHIEF EXECUTIVE OFFICER

38 Years of Service

MARY DYE
CHIEF RISK OFFICER

32 Years of Service

JENNIFER GOODALL
CHIEF OPERATIONS OFFICER

13 Year of Service

PATSY LINDAMOOD
CHIEF FINANCIAL OFFICER

10 Year of Service

JOHN HENDRICKS
CHIEF LENDING OFFICER

3 Years of Service

Staff with 5+ Years

CAROL SULLIVAN
SR. LOAN OFFICER

37 Years of Service

LISA BYRD
RISK MANAGEMENT ASSOCIATE

33 Years of Service

TODD ARMSTRONG
VP OF LENDING

12 Years of Service

AMANDA ROSENLUND
CONTROLLER

9 Years of Service

ELLEN BLOOM
EXECUTIVE ADMIN ASSISTANT

9 Years of Service

VERONICA MCMILLIAN
SR. LOAN OFFICER

9 Years of Service

LETI WHEELER
RISK MANAGEMENT ASSOCIATE

7 Years of Service

TAEOR PORTELA
ATM FLEET MANAGER

6 Years of Service

ABBAGAIL SHERLING
ACCOUNTANT

6 Years of Service

ANGEL MERINO
PLASTIC CARDS MANAGER

5 Years of Service

GABI GARCIA
BRANCH MANAGER

5 Years of Service

Staff

CHRIS GONZALEZ
PERSONAL BANKER

COURTNEY PATTERSON
PERSONAL BANKER

DEVON BLAKLEY
DIGITAL SUPPORT STAFF

HOLLY BOWLES
SR. LOAN OFFICER

KIRSTI DYE
PERSONAL BANKER

MARSHALL ALTOM
DIGITAL SERVICES MANAGER

MYNDI CERTAIN
PERSONAL BANKER

RENEE BROWN
PERSONAL BANKER

TANNER SIMMONS
PERSONAL BANKER

TERRY MARTIN
COMPLIANCE OFFICER

CHRISTA BRYCE
MARKETING MANAGER

DELEE FUGATE
ACCOUNTANT

EMILY QUINN
LOBBY CONSULTANT

KARISSA CARSON
PERSONAL BANKER

MARISSA CANO
PERSONAL BANKER

MOLLY PHIPPS
SUPPORT STAFF

RACHAEL SMITH
ASSISTANT BRANCH MANAGER

SHAY LIGON
BRANCH MANAGER

TAYLOR NICKERSON
LOBBY CONSULTANT

YADIRA ORTIZ
LIEN MANAGEMENT CLERK