

2023 ANNUAL REPORT



AGENDA

- Determination Of A Quorum
- Call To Order
- Welcoming Remarks
- Nominating Committee Report
- Approval Of The Minutes Of The 87th Annual Meeting
- Chairman's Remarks
- President's Remarks
- New Business
- Adjournment

BOARD OF DIRECTORS/ TERM EXPIRATION

Dr. Michael Sandroussi,
Chairperson/2025
Dr. Lynda Deleon, Vice-Chair/2026
Angie Ramirez, Secretary/2026
Javier Leal, Treasurer/2024
Ken Combs/2024
Dr. Jose Cavazos/2025
Jesse Gatewood/2026
Kathryn Ortiz/2025
Judge Henry Santana/2024

ASSOCIATE DIRECTORS

Lisa Bitoni
Tracie Williams

PRESIDENT/CEO

Gina Prince

C-SUITE MANAGEMENT

Evelin Hernandez, CFO
Kari Kelley, COO
Sam Longoria, CLO

VICE- PRESIDENTS

Missy Garcia, VP-HR
Eric Jaramillo, VP-Marketing

Chairman & CEO's Report

CoastLife Credit Union (CLCU) is a strong and well capitalized financial institution. Our members have assisted us in remaining strong in our communities. CLCU provides financial literacy in our communities which we feel is key to our local roots. There are many opportunities for CLCU to educate individuals on many topics – at the top of the list are scams and ID Theft, credit bureau understanding, finance 101 when considering buying a vehicle or purchasing your first home. It is a plus to have financial literacy as a focus of CLCU.

The Federal Reserve raised rates 4 times in 2023; thus causing CLCU to raise our rates in order to remain competitive. This occurred multiple times throughout the year. When deposit rates are raised, the loan rates follow. Therefore, loan rates were raised also. Many consumers postponed purchasing items including vehicles and homes due to the rising rates. The loan portfolio decreased less than 3% while deposits decreased the same. The industry was very volatile in the deposit portfolio due to competitive rates being offered by other financial institutions.

CLCU had a large project for the majority of 2022 and into 2023. This had not been done since 1985 when CLCU had their previous core conversion. The need for updated efficiencies drove management to recommend to the BOD who approved the core conversion project. The "go-live" date was July 24, 2023. Many hours and preplanning were put into this project as a necessity for growth for the future.

Renovations continued on several branch offices and the original main office. The need to upgrade the main office in order to have a preferred training facility was a necessity. There had been few upgrades in the original main office since its opening in 1999. A special thank you to all staff for being supportive of this project.

CLCU is appreciative of the support given to us by our members. We are a LOCAL credit union serving six counties in the Corpus Christi and surrounding areas. We are proud to be in the communities supporting those residents. We encourage you to spread the word about your credit union! CoastLife Credit Union is not just a place, it is a feeling.

A handwritten signature in black ink, appearing to read "Michael Sandroussi".

Dr. Michael Sandroussi
Chairman of the Board of Directors

A handwritten signature in black ink, appearing to read "Gina K. Prince".

Gina Prince
CEO

2023

STATEMENT OF FINANCIAL CONDITION	ASSETS	
	Cash	\$ 26,438,592
	Investments	69,538,883
	Loans To Members, Net Of Allowance For Loan Loss	327,565,501
	Fixed Assets	18,613,184
	National Credit Union Share Insurance Fund (NCUSIF)	4,077,709
	Other Assets	33,215,570
	TOTAL ASSETS	<u>\$479,449,439</u>
	LIABILITIES & RETAINED EARNINGS	
	Accounts Payable	\$ 4,668,349
	Dividend Payable	60,130
Other Liabilities	1,374,568	
TOTAL LIABILITIES	<u>\$ 6,103,047</u>	
Deposit Accounts	\$ 425,045,877	
Regular Reserves	5,508,821	
Equity Acquired In Merger	4,474,202	
Undivided Earnings	48,574,954	
Comprehensive Income	(3,060,651)	
Unrealized Gain (Loss) On AFS	(7,196,811)	
TOTAL LIABILITIES & EQUITY	<u>\$479,449,439</u>	
Membership	37,289	
STATEMENT OF EARNINGS	INTEREST REVENUE	
	Interest on Loans	\$ 17,247,157
	Interest on Investments & CD's	2,307,608
	Gain (Loss) on Disposition of Investments	0
	OTHER REVENUE	
	Fees	\$ 5,685,031
	Gain (Loss) on Disposition of Assets	0
	Other	810,887
	TOTAL REVENUE	<u>\$ 26,050,683</u>
	DIVIDEND EXPENSE	
	Dividends on Deposit Accounts	\$ 5,554,316
	Interest on Borrowed Money	14,322
	TOTAL DIVIDENDS	<u>\$ 5,568,638</u>
	NET REVENUE	\$ 20,482,045
	Provision for Loan/Acct Losses	2,342,000
	NET REVENUE BEFORE OPERATING EXPENSES	<u>\$ 18,140,045</u>
	OPERATING EXPENSES	
Compensation & Benefits	\$ 7,135,666	
Office Occupancy	1,318,728	
Data Processing	1,883,826	
Office Operations	2,183,558	
Other	2,948,469	
TOTAL OPERATING EXPENSES	<u>\$ 15,470,246</u>	
NET INCOME	<u>\$ 2,669,799</u>	

NOTES: Management changes during 2023 include the resignation of Tobi Illesanmi. The VP of Risk Management position was eliminated. The Board of Directors received a board meeting fee for each meeting attended in 2023. The total amount paid for BOD meeting fees in 2023 was \$55,300 and the projected amount for 2024 is \$55,800.

88th Annual Meeting

NOMINATING COMMITTEE NOMINEES

Welcome to our 88th Annual Meeting. This year there are three positions open for election on our Board. After careful review, the Nominating Committee, appointed by the Chairman of the Board of Directors, has nominated one member for each Board position to be filled. The term for the positions is a (3) three-year term, and the three nominees are as follows:

Ken Combs (Incumbent) - 3 year term
Javier Leal (Incumbent) - 3 year term
Henry Santana (Incumbent) - 3 year term

A brief statement of qualifications and biographical data of each of the nominees follows:



Ken Combs - Incumbent

Occupation: Broker, Ken Combs Realtors

Education: MBA

Background: CLCU MEMBER since 1979; CLCU Board of Director since 2009; Previous CLCU Board of Director from 1981-1989 and 1991; Previous Chairperson of the Board of Directors of CLCU; Member of Corpus Christi Association of Realtors; Texas Association of Realtors and National Association of Realtors

Javier Leal - Incumbent

Occupation: Retired

Education: Corpus Christi State University, Master's Degree in Interdisciplinary Studies (Business Management and Criminal Justice); Texas A&I University, Kingsville; Bachelor of Arts Degree; Major Sociology, Psychology, and Government

Background: CLCU MEMBER since 1985; CLCU Board of Director since 2009; Currently serves as Treasurer on CLCU Board of Directors; Chairperson of CLCU Board of Directors Economics Committee



Henry Santana - Incumbent

Occupation: Nueces County Judge

Education: University of Houston; Management/Education - Doctorate Degree

Background: CLCU MEMBER since 1963; CLCU Board of Director since 1981; Serves as Vice Chairperson for the Dispute Resolution Center (2000-present); Serves as a member of Westside Business Association (2010-Present); Certified Mediator; Faculty/Student Advisor for Webster University; Member of Texas Justice Court Judges Association; Texas Association of Justice of the Peace and Constables Association; and Texas State Court Association



88th Annual Meeting

MINUTES - April 11, 2023 - 6:00PM

CALL TO ORDER: Dr. Michael Sandroussi, Chairperson of the Board of Directors along with the President of CoastLife Credit Union, Gina Prince, called the 87th Annual Meeting to order at 6:00 p.m. and thanked everyone for joining in person at Mansion Royal. Sandroussi expressed there was a quorum present for the meeting to proceed and confirmed this gathering is a legal meeting. Sandroussi introduced himself as the Nominating Committee Chairperson for the Members of the Board. The Committee did meet and validated each applicants' qualifications.

The following applicants were nominated: • Dr. Lynda DeLeon • Jesse Gatewood • Angie Ramirez

Members were explained the packets handed at the door included a list of their duties and responsibilities in the by-laws. It was also noted there were no petition candidates, all nominees were declared elected by acclamation.

APPROVAL OF THE 86TH ANNUAL MEETING- April 5th, 2022 Minutes: Sandroussi asked for approval of the 86th Annual Meeting Minutes. Minutes were presented in the packets handed out at the meeting. Motion by Jane Elia Longoria, seconded by Molly Howell. Gina Prince, President, confirmed both members making the motion and the second. Sandroussi asked for all to reply either in favor of the motion or opposed. MOTION CARRIED.

PRESENTATION OF THE BOARD MEMEBERS: Sandroussi introduced the Board of Directors. Each Board Member was recognized by name and position.

CHAIRPERSON'S REPORT: Sandroussi reported that CoastLife Credit Union is going through renovations of current facilities and constructed two new buildings. The Saratoga Branch has a new building in front of the original main office location. The older building is under renovation and will become the CoastLife Credit Union Administration Building and Training Center. The Portland Branch is a new facility.

TREASURER'S REPORT & AUDIT REPORT: Highlights of the report were given. Sandroussi informed the members the audit report and the financial statements were given to all in the packet distributed at the entrance. CoastLife Credit Union is still financially strong. The net income for 2022 exceeding \$5.1 million and it continues to improve. Our loan growth was 17.41% and deposit growth was 9.15%. The federal reserve continues to raise the interest rate and the current certificate of deposit rate is 4.75% Annual Percentage Rate.

INTRODUCTION OF CEO & PRESIDENT

Sandroussi introduced Prince, CEO, and President of CoastLife Credit Union for 38 years.

PRESIDENT'S REPORT

Prince thanked Sandroussi for the introduction. Prince introduced CoastLife Credit Union's management team. Prince explained this is the first in person Annual Meeting CoastLife Credit Union has had since the pandemic outbreak. Prince thanked and recognized all the CoastLife Credit Union staff, currently 130 to 140 employees strong. Prince praised all employees, as she knows that the Credit Union will continue to grow and stay solid. Prince went on to discuss 2022 renovations and new buildings, the 5,000 square foot branch on Saratoga Blvd and the 5,000 square foot branch in Portland. She discussed renovations at the other 8 locations.

Prince stated that she is excited about the growth and the confidence in CoastLife Credit Union Members. Prince stated that when she started at the Credit Union, the asset total was \$50 million and now CoastLife Credit Union is currently "knocking on the door" of \$500 million in assets.

EMPLOYEE OF THE YEAR

The employee of the year is selected by Management from the 2022 Employees of the Quarter. Each employee of the quarter was recognized and asked to stand. Prince explained the Employee of the Year receives two weeks' salary and an award, in appreciation for a job well done. Pictures of Employees of the Quarter were shown as well as announced.

- 1st Quarter 2022 - Gina Moreno, Rose Mary Ringham
- 2nd Quarter 2022 - Lisa Zapata, Alexis Garcia
- 3rd Quarter 2022 - Abbaggle Lopez, Justin Metting
- 4th Quarter 2022 - Heather Green, Eduardo Sanchez

Prince made an announcement of the employee of the year – JUSTIN METTING – Information Technology Department. Metting was presented with a check for 2 weeks' salary, and he was thanked for an incredible job well done.

NEW BUSINESS

Sandroussi, Chairperson, asked if there was any New Business. None was reported.

Sandroussi announced that attendees were eligible this evening for prizes totaling \$3,000. He thanked everyone for attending the 87th Annual Meeting.

Meeting Adjourned at 6:45 pm