

UNITED HERITAGE  
CREDIT UNION



ANNUAL REPORT  
2022

## Board of Directors

---



Harold Keyes, CCD	Chairman	Term: 2021-2024
Bob Spurck	Vice Chairman	Term: 2020-2023
Val Velasquez	Secretary / Treasurer	Term: 2022-2025
Robert Hootkins, MD	Director	Term: 2021-2024
Tommy W. Lueders	Director	Term: 2022-2025
Michael Trevino	Director	Term: 2022-2023
Genise Henry, PhD	Director	Term: 2022-2025
Amber Shammass, PhD, RN, ACNS-BC	Associate Director	
Ed Clements	Associate Director	
May D. Lofgreen, CCD	Chairman Emeritus	

James E. North, CPA, CCD retired from the Board of Directors in April of 2022. Genise Henry, PhD was elected to the Board of Directors in April of 2022.

The Certified Credit Union Director (CCD) certification recognizes an individual's thorough understanding of key issues such as risk management, succession planning and strategy. The certification honors outstanding professional development efforts and represents dedication to the credit union movement.

## Senior Management

---

Buddy Schroeder	President/CEO
Michael Ver Schuur	Executive Vice President/CSO
Samantha Hess	Chief Operations Officer
Jake Bernhard	Vice President of Real Estate Lending
Diane Brown	Vice President of Information Services/Core Services
Sebrina Crawford	Vice President of Operations
Rebecca Elliott	Vice President of Finance
Kevin Farley	Vice President of Experience & Engagement
Deena Massa	Vice President of Retail Operations
Joshua Robles	Vice President of Business Lending
Kristie Simo	Vice President of Consumer Lending
Dale Tripp	Vice President of Compliance
Sara Vara	Vice President of Human Resources
Karen Wilkerson	Vice President of Risk Management, ISO

There were no changes in the Bylaws or Articles of Incorporation since the last annual report.

Samantha Hess was promoted to Chief Operations Officer in 2022.

# CHAIRMAN'S REPORT

HAROLD KEYES | CHAIRMAN

---

United Heritage Credit Union continued to experience exceptional growth throughout 2022. We are thankful for the dedication of our employees, the guidance of our Board of Directors and the loyalty of our member-owners for embracing the changes that come with this level of advancement.

The Credit Union reached new milestones in several key areas this year. Assets surpassed \$1.5 billion while membership expanded to 77,296 by year-end. These are both great indicators of the overall success the Credit Union was able to achieve during the year. These numbers are also indicative of the trust our members place in United Heritage as their financial institution. United Heritage understands this responsibility and is dedicated to meeting and exceeding the needs of our members. We were also happy to bring back several events this year, including Shred Days at several branch locations and Member Appreciation Events for both our Austin-area and Tyler-area members.

The success achieved in 2022 can be attributed to many factors, but especially to our employees and our leadership team, which includes our Board of Directors. The Board of Directors led the organization through many updates and changes, including an evaluation of our official Core Values. By utilizing focus groups of current employees, we were able to make pivotal updates to the Core Values, ensuring they align with the overall direction the Credit Union is heading. All of our employees already carry out the values of the Credit Union in their roles and we look forward to seeing more impacts from these updates into 2023.

We also want to thank James E. North, who retired from the Board of Directors in 2022 after 41 years of service. His contributions and leadership will be missed.

As we look towards the next year, we are eager for new opportunities for the Credit Union to support and serve our members and communities.

# PRESIDENT'S REPORT

BUDDY SCHROEDER | PRESIDENT AND CEO

---

2022 has been a year of remarkable growth for United Heritage Credit Union, marked by the creation of new roles throughout the organization, while reaching new milestones in asset size, membership and more. By continuing to adapt and evolve to meet the needs of our members in a dynamic landscape, we encountered new opportunities for growth and advancement. By the end of 2022, assets exceeded \$1.5 billion and shares exceeded \$1.3 billion, with membership reaching 77,296 member owners.

This growth is also seen in staffing, with our total number of positions rising to 284 by the end of 2022. In addition to the growth within existing roles, the Credit Union seized the opportunity to create new roles throughout the organization, including the senior leadership team. This ensures the organization has the tools and resources needed to provide our members with innovative solutions for their individual financial situations. Our staff remain our most valuable asset, and their commitment to delivering the level of service United Heritage Credit Union members have grown to expect is essential to our success.

Investing in technology and improving processes continued to be a major focus for United Heritage this year. These investments and improvements were aimed at enhancing the convenience, access and security of our services and products, while meeting member expectations in a post pandemic environment. This included expanding contact center hours, installing new ATMs with deposit-taking capabilities at most branch locations, expanded loan product offerings, upgrades to Online Banking and the uhcu.org website, new debit card designs and much more. While we are passionate about preserving the personal interactions our members appreciate from UHCU, we understand and embrace the increasing demand of digital service options as well.

Our combined efforts are what help to maintain our strength and stability. As always, thank you to our members for choosing UHCU as your financial partner and for continuing to support our success.

# TREASURER'S REPORT

VAL VELASQUEZ | SECRETARY AND TREASURER

---

On behalf of the Board of Directors, I am happy to report that 2022 was another compelling and successful year for United Heritage Credit Union. The implementation of updated processes, procedures and departments gave our staff and leadership team the opportunity to demonstrate their adaptability and commitment to our success, ensuring we maintained solid earnings, an outstanding loan portfolio and a strong capital position.

In 2022, United Heritage Credit Union's assets increased by \$113 million. In addition, our outstanding loans increased to over \$1.3 billion, up from \$1.1 billion in 2021. With a capital ratio of 9.23%, the credit union maintained its designation as a well-capitalized organization.

The impact we have on our Credit Union members is also a large part of our success. From assisting over 765 families with their home loan needs to helping more than 10,800 members with their auto purchases and refinances, this year proved to follow the same success trajectory of recent years. Membership growth was also significant, with an increase of more than 4.8% to 77,296 member accounts, up from 73,711 at 2021 year-end. We will continue to serve our communities and our members who are entrusting their hard-earned funds to the Credit Union.

# AUDIT COMMITTEE REPORT

BOB SPURCK | CHAIRMAN

---

The Board Chairman appoints United Heritage Credit Union's Audit Committee each year. The Audit Committee oversees internal and external audit functions, monitors regulatory supervisory processes, ensures Board Policy complies with regulatory requirements and supervises the assessment of the Board's performance among other services for the Board. The three Board members selected for the Audit Committee this year also collaborated with the Risk Management team to ensure strategic and operational goals were realized.

In accordance with regulatory needs, the Audit Committee worked with CliftonLarsonAllen, LLP to conduct an independent audit of United Heritage Credit Union and its subsidiaries. As a result, United Heritage Credit Union received an unqualified opinion

on the consolidated financial statements as of December 31, 2022. In addition, United Heritage was examined by representatives from the State of Texas Credit Union Department and the National Credit Union Administration. These examinations further verified that the operations of the Credit Union are sound. After reviewing the results of the independent audit and the examinations, the Audit Committee is pleased to report that United Heritage Credit Union is in exceptional financial condition.

Because member service is a high priority to everyone at United Heritage, the Audit Committee works directly with the Risk Management team to monitor member satisfaction levels. With a favorable service rating of 99.1%, it is confirmed that member support and satisfaction are staying consistent as well.

# FINANCIAL REPORT

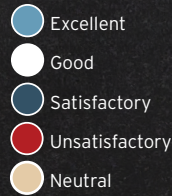
## Consolidated Statements of Financial Condition

<b>ASSETS</b>	<b>2022</b>		<b>2021</b>	
Loans	\$	1,330,866,814	\$	1,153,912,620
Less Allowance for Loan Loss	\$	(2,022,126)	\$	(2,392,835)
Cash / Cash On Deposit	\$	9,415,858	\$	9,982,084
Investments	\$	83,732,577	\$	150,266,278
Fixed Assets	\$	73,226,251	\$	69,705,359
Share Insurance	\$	12,237,390	\$	11,350,846
Other Assets	\$	13,118,221	\$	14,469,248
<b>Total Assets</b>	<b>\$</b>	<b>1,520,574,985</b>	<b>\$</b>	<b>1,407,293,600</b>
<b>LIABILITIES &amp; EQUITY</b>	<b>2022</b>		<b>2021</b>	
Accounts Payable	\$	14,644,879	\$	1,258,025
Dividends Payable	\$	4,576	\$	206
Other Liabilities	\$	65,514,529	\$	4,012,075
Total Deposits	\$	1,304,229,768	\$	1,280,749,212
Regular Reserves	\$	11,471,964	\$	11,471,964
Undivided Earnings	\$	127,068,087	\$	110,075,825
Unrealized Gain / Loss	\$	(2,358,818)	\$	(273,707)
<b>Total Liabilities &amp; Equity</b>	<b>\$</b>	<b>1,520,574,985</b>	<b>\$</b>	<b>1,407,293,600</b>

# New Member Satisfaction

2022 - 99.1%

2021 - 98.5%



## Consolidated Statements of Income

INCOME	\$	2022	\$	2021
Loans	\$	47,197,860	\$	40,002,425
Investments	\$	1,842,744	\$	1,730,970
Other	\$	17,914,231	\$	13,047,143
<b>Gross Income</b>	<b>\$</b>	<b>66,954,835</b>	<b>\$</b>	<b>54,780,538</b>
EXPENSES		2022		2021
Operating Expenses	\$	22,958,069	\$	19,781,183
Provisions for Loan Loss	\$	187,629	\$	398,380
Other General & Admin	\$	22,296,935	\$	16,195,132
<b>Total Expenses</b>	<b>\$</b>	<b>45,442,633</b>	<b>\$</b>	<b>36,374,695</b>
<b>Income Before Dividends</b>	<b>\$</b>	<b>21,512,202</b>	<b>\$</b>	<b>18,405,843</b>
Dividends Paid	\$	4,534,327	\$	4,866,840
<b>Net Income</b>	<b>\$</b>	<b>16,977,875</b>	<b>\$</b>	<b>13,539,003</b>
<b>Members</b>		<b>77,296</b>		<b>73,711</b>

Texas Rules for Credit Unions allow payment of a reasonable fee to directors or committee members for attending duly called meetings for conducting credit union business. Those fees totaled \$110,000 during 2022, and are projected at \$108,000 during 2023.

## ESG | Corporate Social Responsibility

United Heritage Credit Union believes in sustainable strategies that support environmentally friendly, socially responsible & transparent equality focused governance while preserving effective cost management as well as a strong emphasis on net income. While United Heritage works to support our ESG standing, we must keep in mind that investments which may be common in other classifications of financial institutions are not found here at UHCU per regulation.

In everything we do, we always operate with uncompromising ethics and the highest levels of integrity. We believe in exemplifying a strong corporate responsibility through the following framework.

### I. Environmental

We have a strong commitment and responsibility to the communities that we serve and the world as a whole. We are committed to making choices that are smart and sustainable. United Heritage has taken steps to support our environment through recycling, minimization of waste, water conservation through drought-tolerant landscaping as well as electric vehicle charging availability. UHCU continues to explore opportunities for being a more environmentally friendly organization.

### II. Social

We believe in and seek to promote United Heritage's socially responsible business practices through high overall stakeholder satisfaction while protecting data and privacy. United Heritage recognizes the need to have a high systemic level of well-being for all people with the protection of the innate dignity of every human being. We support diversity by recognizing and valuing the unique pasts, viewpoints, and norms that we all bring to form our society. We recognize that equality needs to be of paramount importance to a healthy society and strive to protect our communal well-being.

### III. Governance

We actively monitor our responsible growth by being aware of our board composition, dual controlled audit and regulatory oversight, and competitive / equal compensation as we continue to improve our controlled impact on the planet through our thoughtful governance directions.

Note: To learn more about UHCU and ESG, please visit [uhcu.org/esg](https://uhcu.org/esg)

ENVIRONMENTAL | SOCIAL | GOVERNANCE



# UNITED HERITAGE CREDIT UNION BRANCH LOCATIONS

## **Cedar Park**

1801 E Whitestone Blvd (FM 1431)  
Cedar Park, Texas 78613

## **Georgetown**

12 Waters Edge Cir  
Georgetown, Texas 78626

## **Kyle**

5029 Kyle Center Dr (S FM 1626)  
Kyle, Texas 78640

## **Lakeway**

3317 S RR 620  
Austin, Texas 78738

## **North Austin**

12208 N Mopac Expy  
Austin, Texas 78758

## **River Place**

10815 RR 2222  
Austin, Texas 78730

## **Round Rock**

301 Mays Crossing Dr  
Round Rock, Texas 78664

## **South Austin**

6400 Menchaca Rd  
Austin, Texas 78745

## **Southwest Austin**

5011 W Slaughter Ln  
Austin, Texas 78749

## **Tyler**

522 S Broadway Ave  
Tyler, Texas 75702

## **Westlake**

2009 S Capital of Texas Hwy  
Austin, Texas 78746





**United Heritage**  
Credit Union



512.435.4545 | 903.597.7484 | 800.531.2328  
[uhcu.org](http://uhcu.org)