



ANNUAL REPORT

2023

UNITED HERITAGE  
CREDIT UNION

# CORE VALUES



## COMMITMENT

A PASSION FOR, AND THE PERSEVERANCE TO, ACHIEVE IMPORTANT GOALS.



## INTEGRITY

A STEADFAST ADHERENCE TO SHARED ETHICAL CODE.



## ABOVE & BEYOND

SURPASSING EXPECTATIONS THROUGH UNEXPECTED ENCOUNTERS.



## INNOVATION

TURNING IDEAS INTO VALUE-CREATING SOLUTIONS.

# Board of Directors

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Val Velasquez, NCVE	Chairman	Term: 2022–2025
Michael Trevino	Vice Chairman	Term: 2023–2026
Robert Hootkins, MD, PhD, FACP, FASN, FAHA	Secretary / Treasurer	Term: 2021–2024
Tommy W. Lueders	Director	Term: 2022–2025
Harold Keyes, CCD	Director	Term: 2021–2024
Bob Spurck	Director	Term: 2023–2026
Genise Henry, PhD	Director	Term: 2022–2025
Amber Shammas, PhD, RN, ACNS–BC	Associate Director	
Ed Clements	Associate Director	
May D. Lofgreen, CCD	Chairman Emeritus	

The NAFCU Certified Volunteer Expert (NCVE) and the Certified Credit Union Director (CCD) certifications recognize an individual's thorough understanding of key issues such as risk management, succession planning and strategy. These certifications honor outstanding professional development efforts and represent dedication to the credit union movement.

# Senior Management

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Michael Ver Schuur	President/CEO
Nathan Brown	Chief Technology Officer
Troy Garry	Chief Financial Officer
Samantha Hess	Chief Operations Officer
Matthew Lyman	Chief Lending Officer
Jake Bernhard	Vice President of Real Estate Lending
Diane Brown	Vice President of Information Services/Core Services
Rebecca Elliott	Vice President of Finance
Kevin Farley	Vice President of Experience & Engagement
Deena Massa	Vice President of Branch Operations
Karen Pollack	Vice President of Digital Operations and Services
Joshua Robles	Vice President of Commercial 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. The following staffing changes took place in 2023:

- Michael Ver Schuur was promoted to President/CEO
- Nathan Brown was hired as Chief Technology Officer
- Troy Garry was hired as Chief Financial Officer
- Matthew Lyman was hired as Chief Lending Officer
- Karen Pollack was hired as Vice President of Digital Operations and Services
- Buddy Schroeder, President/CEO, left the Credit Union
- Sebrina Crawford, Vice President of Contact Center, left the Credit Union

# CHAIRMAN'S REPORT

2023 was a year of change for United Heritage Credit Union. In an ever-evolving world, we recognized the necessity for our organization to continue to evolve to meet our members' financial needs, while also continuing to support our communities and employees. Throughout the year, the Board, Senior Leadership and our employees worked tirelessly to implement new tools, resources and processes that provided our teams with the ability to better serve our members.

Our employees remain one of our most valuable assets, consistently exceeding expectations and delivering the exceptional service our members deserve. UHCU employees truly embody the credit union philosophy of "People Helping People", giving back to our communities by hosting branch events, such as Shred Days and Festivals, and organizing multiple donation drives for diapers, school supplies and more.

In April of 2023, Michael Ver Schuur was appointed by the Board of Directors as our new President/CEO, replacing Buddy Schroeder who held the role for 43 years before retiring. Words can't express our gratitude for the leadership Buddy provided during his tenure, and we wish him all the best in retirement.

Michael stepped into the role of President/CEO with 33 years of United Heritage tenure. One of his first actions was to bolster the breadth of knowledge and expertise within the Senior Leadership team by welcoming a new Chief Lending Officer, Chief Technology Officer and Chief Financial Officer. Their diverse perspectives and extensive experience have already had a positive impact, energizing their respective departments and the Credit Union as a whole.

As we plan for 2024, we recognize there will be new opportunities for us to support our members and communities. We understand that it is essential to our continued success to preserve the trust and dedication we have worked so hard to earn from our members. Thank you for choosing us as your financial partner.

**VAL VELASQUEZ**  
CHAIRMAN

# PRESIDENT'S REPORT

United Heritage Credit Union continued to experience great success in 2023, exceeding expectations in key areas while strategically investing in its staff and technology. Surpassing \$1.53 billion in assets and 9.7% in capital were just two of the milestones achieved this past year. Additionally, the Credit Union added talented individuals in Senior Leadership roles in lending, technology, finance and digital services, further solidifying its foundation for future success.

We navigated an increasing interest rate landscape and embraced new opportunities throughout the year. We actively created new roles, including within our Senior Leadership team, to ensure we have the expertise to deliver innovative solutions tailored to our members' individual needs.

Our commitment extends beyond just numbers. We invested heavily in technology and process improvements to enhance the convenience, access, and security of our services. We launched an online new account opening platform, added new options for members to set up internal and external transfers and added additional mem-

ber verification security features which streamlined several service processes.

While we cherish personal interactions, we also recognize the growing demand for digital options. We're proud to offer both, ensuring we provide banking services wherever you are. Beyond the products and service updates, we recognized the economic impacts many members have faced due to the Federal Reserve raising interest rates several times during the year. We implemented high-yield CDs and provided Skip-A-Pay programs to members with auto loans to help relieve the financial burden that many faced.

As we look ahead to 2024, we anticipate compelling opportunities to further strengthen our support for our members and the communities we serve. Your trust and unwavering loyalty have been instrumental in our success, and we remain committed to upholding the exceptional standards you expect from us. Thank you, our members, for choosing UHCU as your financial partner. Your continued trust fuels our success and inspires us to reach new heights together.

**MICHAEL VER SCHUUR**  
PRESIDENT AND CEO

# AUDIT COMMITTEE REPORT

TOMMY LUEDERS | CHAIRMAN OF THE AUDIT COMMITTEE

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Each year, the Board Chairman appoints United Heritage Credit Union's three-person Audit Committee. The Audit Committee oversees internal and external audit functions, monitors regulatory supervisory processes, ensures the 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.

Each year, examinations of United Heritage Credit Union are completed by representatives from the State of Texas Credit Union Depart-

ment and the National Credit Union Administration. The examinations verified that the operations of the Credit Union are sound. Additionally, the Audit Committee worked with CliftonLarsonAllen, LLP to conduct an independent audit of United Heritage Credit Union and its subsidiaries. An assessment of the independent audit and examinations led the Audit Committee to conclude that United Heritage Credit Union exhibits exceptional financial health.

At United Heritage, member service is paramount. The Audit Committee and Risk Management team worked together to track member satisfaction, which exceeded 99.5%, ensuring continued member support and satisfaction.

## TREASURER'S REPORT

ROBERT HOOTKINS | SECRETARY AND TREASURER

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On behalf of the Board of Directors, I am happy to report that 2023 was another successful year for United Heritage Credit Union. In 2023, United Heritage Credit Union's capital increased to 9.74% as the Credit Union maintained its designation as a well-capitalized organization. In addition, our Consumer Lending department originated in excess of \$243.8 million in auto, personal and other secured loans.

We recognized the needs of our members and communities, assisting over 474 families with their home loan needs and helping more than 5,282 members with

their auto purchases and refinances. We also worked hard to have a positive impact in our communities, which led to an increase to our membership to 77,801 member accounts.

Every day brings new challenges, from navigating the ever-changing economic landscape to ensuring the security and stability of our members' hard-earned funds. We are committed to being a trusted partner for our members and communities, and we are dedicated to providing exceptional service and innovative financial solutions to support our members throughout their financial journeys.

# CEO RETIREMENT

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Buddy Schroeder, the longest-serving CEO in the history of UHCU, retired in June 2023. Buddy was with the Credit Union for 43 years and during his tenure the organization reached many new milestones.

“Buddy is a strong leader who has always put the needs of members first. He has a deep understanding of the credit union industry and was instrumental in helping United Heritage achieve its organizational goals,” said Val Velasquez, Chairman of the United Heritage Board of Directors.

Buddy’s achievements had a significant impact on the Credit Union, having led the growth in assets to over \$1.5 billion. The opening of new branches made it easier for members to access services and the growth in membership to over 75,000 has increased

the organization’s financial strength. The addition of new lending programs has provided members with more options for financing their needs and the expansion of digital/mobile technology has made it easier and more convenient for members to complete banking transactions.

“It has been my privilege to work alongside Buddy at the Credit Union for over 30 years. Buddy’s vision, dedication, and unwavering commitment to our members have been a driving force behind our remarkable success. I am excited to build upon the incredible foundation Buddy has laid and to continue leading this organization towards a bright future. Thank you, Buddy, for your outstanding leadership and unwavering dedication.” said Michael Ver Schuur, President/CEO of UHCU.

# EXPANDED LEADERSHIP TEAM

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In 2023, UHCU bolstered its Senior Leadership team with the addition of three key C-suite positions: Chief Lending Officer, Chief Technology Officer, and Chief Financial Officer. These appointments represent a significant investment in the Credit Union’s future, ensuring our continued success and growth in a rapidly evolving financial landscape.

Appointed as the new Chief Lending Officer, Matthew Lyman brings a wealth of experience and expertise in loan origination, portfolio management, and risk mitigation. He is tasked with leading UHCU’s lending divisions, overseeing all aspects of loan operations and ensuring the organization’s ability to meet the evolving needs of its members.

At the helm of technology, Nathan Brown, the newly appointed Chief Technology Officer, brings a proven track record of leading technological advancements and implementing innovative solutions. His involvement will ensure UHCU will remain at the forefront of

digital banking and financial technology.

Taking charge of the financial reins, Troy Garry joins UHCU as the new Chief Financial Officer. He possesses extensive experience in financial management, strategic planning, and risk oversight. He will be responsible for leading UHCU’s financial operations, ensuring the organization’s financial stability and driving sustainable growth.

These strategic appointments, along with the appointment of Michael Ver Schuur as President/CEO and Samantha Hess as Chief Operations Officer in 2022, demonstrate UHCU’s commitment to providing its members with the highest quality of service and the most innovative financial solutions. With the combined expertise and leadership of its newly expanded C-suite, UHCU is well-positioned to navigate the changing financial landscape and solidify its place as a leading credit union for generations to come.

# FINANCIAL REPORT

## Consolidated Statements of Financial Condition

ASSETS		2023	2022
Loans	\$	1,303,966,133	\$ 1,330,866,814
Less Allowance for Loan Loss	\$	(3,119,095)	\$ (2,022,126)
Cash / Cash On Deposit	\$	7,488,171	\$ 9,415,858
Investments	\$	117,631,871	\$ 83,732,577
Fixed Assets	\$	71,211,252	\$ 73,226,251
Share Insurance	\$	11,584,550	\$ 12,237,390
Other Assets	\$	25,960,471	\$ 13,118,221
<b>Total Assets</b>	<b>\$</b>	<b>1,534,723,353</b>	<b>\$ 1,520,574,985</b>
LIABILITIES & EQUITY		2023	2022
Accounts Payable	\$	59,149,765	\$ 14,644,879
Dividends Payable	\$	42,988	\$ 4,576
Other Liabilities	\$	47,087,619	\$ 65,514,529
Total Deposits	\$	1,284,021,479	\$ 1,304,229,768
Regular Reserves	\$	11,471,964	\$ 11,471,964
Undivided Earnings	\$	135,043,628	\$ 127,068,087
Unrealized Gain / Loss	\$	(2,094,090)	\$ (2,358,818)
<b>Total Liabilities &amp; Equity</b>	<b>\$</b>	<b>1,534,723,353</b>	<b>\$ 1,520,574,985</b>



# New Member Satisfaction

2023 - 99.5%



2022 - 99.1%



- Excellent
- Good
- Satisfactory
- Unsatisfactory
- Neutral

## Consolidated Statements of Income

INCOME	2023	2022
Loans	\$ 57,531,783	\$ 47,197,860
Investments	\$ 8,369,232	\$ 1,842,744
Gain on Sale of Assets	\$ 36,000	\$ -
Other	\$ 13,780,194	\$ 17,914,231
<b>Gross Income</b>	<b>\$ 79,717,209</b>	<b>\$ 66,954,835</b>
EXPENSES	2023	2022
Operating Expenses	\$ 27,741,312	\$ 22,958,069
Provisions for Loan Loss	\$ 1,739,522	\$ 187,629
Other General & Admin	\$ 28,823,934	\$ 22,296,935
<b>Total Expenses</b>	<b>\$ 58,304,768</b>	<b>\$ 45,442,633</b>
<b>Income Before Dividends</b>	<b>\$ 21,412,441</b>	<b>\$ 21,512,202</b>
Dividends Paid	\$ 12,954,747	\$ 4,534,327
<b>Net Income</b>	<b>\$ 8,457,694</b>	<b>\$ 16,977,875</b>
<b>Members</b>	<b>77,801</b>	<b>77,296</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 \$116,000 during 2023, and are projected at \$162,000 during 2024.

# UHCU COMMUNITY INVOLVEMENT

Throughout 2023, United Heritage Credit Union has remained deeply committed to giving back to the communities we serve and celebrating the extraordinary people who make those communities thrive.

UHCU hosted several successful donation drives throughout the year, collecting essential items like diapers, school supplies, and more for local families. These drives demonstrate our commitment to addressing the critical needs of our community members and ensuring that everyone has access to essential resources.

UHCU also hosted an increased number of member events through free Branch Festivals and Shred Days for our valued members in 2023. These events provided opportunities for fun, community building, and valuable services, such as document shredding for secure disposal of sensitive information. Through

these initiatives, we strive to express our gratitude for our members and their continued trust in UHCU.

UHCU proudly expanded our community involvement in 2023 by sponsoring several favorite community events throughout the year, including Blues on the Green in Austin, the Red Poppy Festival in Georgetown, and several others. These events not only enrich the lives of local residents but also provide opportunities for us to connect with our communities and celebrate the unique cultural richness of our region.

By engaging in these impactful activities, UHCU has worked hard to solidify our position as a champion for our communities and a vital resource for the people we serve. We look forward to continuing this positive momentum in the years to come.



# UHCU CORE VALUES PROGRAM

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At United Heritage Credit Union, employees are not just valued, they are empowered to thrive. In 2022, the Board of Directors embarked on a strategic initiative to update the Core Values that guide the organization's culture and employee engagement. This resulted in the establishment of a strong foundation built on four distinct principles, known as our Core Values: Integrity, Innovation, Commitment, and Above and Beyond.

To further amplify these values and reinforce a culture of appreciation, UHCU launched the Shout Outs Program in 2023. This initiative empowers employees to recognize their colleagues who consistently demonstrate the Core Values in their daily work. Each quarter, a Shout Out winner is selected based on nominations from their peers, receiving special recognition for their dedication, commitment,

and positive impact on the organization.

The Shout Outs Program has successfully instilled a sense of pride and belonging among UHCU employees. It has helped contribute to our culture where exemplary behavior is not only expected but also celebrated, leading to increased motivation, engagement, and collaboration.

By fostering a values-driven culture and actively recognizing outstanding contributions, UHCU empowers its employees to be their best selves, both individually and collectively. This commitment to employee satisfaction and recognition ultimately translates to a better experience for UHCU members, solidifying the Credit Union's position as a trusted financial partner and community leader.

## 2023 SHOUT OUTS CHAMPIONS

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2ND QUARTER: DAWN M.

FINANCIAL SERVICE REPRESENTATIVE (ROUND ROCK BRANCH)

3RD QUARTER: BELEND A. B.

CONSUMER LOAN SALES SPECIALIST

4TH QUARTER: LUCRETIA M.

MEMBER SERVICE REPRESENTATIVE (TYLER BRANCH)

# 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



**United Heritage**  
Credit Union



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[uhcu.org](http://uhcu.org)

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