

# 1st University Credit Union Annual Report 2023



Empowering members. Building futures.





# Supervisory & Audit Committee Report

Kevin Robinson  
Chairman, Supervisory and Audit Committee  
Vice Chairman, Board of Directors

Throughout 2023, the committee convened on multiple occasions to conduct an evaluation of our internal operational controls. Furthermore, the committee engaged Cornerstone Resources to conduct the annual operating audit for the year 2023. This audit adheres strictly to the regulations outlined by both the NCUA and the Credit Union Department of the State of Texas.

The evaluations and audit yielded no adverse findings.

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## Treasurer's Report

Sean McMahon  
Chairman, Assets and Liabilities Committee  
Treasurer/Secretary, Board of Directors



Our financial position remains robust and stable.

- **Steady Asset Growth:** Our credit union continues to experience consistent growth in assets, driven by responsible lending practices and strategic investments.
- **Healthy Loan Portfolio:** Our loan portfolio remains healthy, with a minimal rate of delinquencies and defaults.
- **Adequate Liquidity:** We maintain sufficient liquidity to meet the financial needs of our members and sustain our day-to-day operations.
- **Solid Capitalization:** Our credit union maintains a strong capital position, surpassing regulatory requirements.
- **Profitable Operations:** We continue to operate profitably, generating sustainable earnings to support our mission of delivering value to our members.

In summary, our credit union's financial performance remains strong, reflecting our unwavering commitment to fiscal responsibility and member satisfaction.

# Balance Sheet

as of December 31, 2023

## ASSETS

Cash Equivalent & Investments \$2,050,884.90

Total Loans to Members \$14,717,082.89

Allowance for Loan Loss (\$27,269.81)

Fixed Assets \$465,028.42

Prepaid Expenses \$582,219.82

Accrued Income Receivables \$160,482.27

Other Assets & Receivables \$1,590,084.22

**TOTAL ASSETS \$19,538,512.71**

## LIABILITIES & EQUITY

Accounts Payable & Other Liabilities \$687,023.05

Member Deposits \$17,002,877.20

Total Equity & Reserves \$1,848,612.46

**TOTAL LIABILITIES \$19,538,512.71**

# INCOME STATEMENT

as of December 31, 2023

INCOME		EXPENSES	
Interest Income from Loans	\$855,249.06	Operational Expenses	\$1,474,627.96
Income from Investments	\$58,502.70	Provision for Loan Loss	(\$38,463.55)
Service and Product Income	\$656,108.34	Dividends	\$149,637.51
Miscellaneous Income	\$4,906.62	TOTAL EXPENSES	\$1,585,801.92
Non-Operating Income	\$31,315.42		
TOTAL INCOME	1,606,082.14		
TOTAL NET INCOME	\$20,280.22	Total to Undivided Earnings	\$20,280.22



# Chairman's Message

Randy Wood  
Chairman, Board of Directors

As we can see from the reports from the Supervisory Committee and the Treasurer, 1st University Credit Union is strong.

We are operating in a safe and sound manner. And, we are in an excellent financial situation.

For the second year in a row, I am able to report that our total assets grew to an amount this credit union has never seen before. In 2022, we ended the year with \$17,195,787 in assets; in 2023, that number grew to \$19,538,513.

We also saw a very positive uptick in our net worth ratio, going from 7.44 percent to 9.46, which is an indication that we are very well capitalized.

Most of our growth was organic. Some of it came as part of our merger with Waconized Federal Credit Union. This merger was completed by our two credit unions as of December 31, 2023. NCUA and the Texas Department of Credit Unions finalized it as of January 31, 2024. We welcome these new members to the 1st University family.

At the end of the year, we celebrated with Gary Parker as he retired from his long-held position as president and CEO. Not only was Gary an instrumental part of 1st University for more than 25 years, but he also has played an important role in the credit union movement. Those efforts are being recognized by the Cornerstone Credit Union League as they will induct him into the Hall of Fame on April 4th.

Following Gary's departure, the Board was more than pleased to promote Mr. Kevin Hood to the position of president and CEO. Kevin's history with the credit union, his association with Baylor, and his years of consulting for a wide range of credit unions made him the obvious choice.

# President's Message

Kevin Hood  
President and CEO



2023 was a year filled with change – some planned and some happened because we answered when opportunity knocked.

As we started 2023, our liquidity position was challenged by the unprecedented number of loans and mortgages we made in 2022. As a result, we brought in new money through a special rate on CDs, which was then loaned out to members buying cars and homes – yes homes, even in 2023! – and more.

In 2024, we anticipate an expansion of this loan growth through our new credit card program, which we are launching next month. We will be offering members three choices: a low-rate card, a rewards card, and a secured card.

Our trend of adding new members continues. We have seen growth from Baylor students and alumni, and as Dr. Wood mentioned, at the end of the year, we merged with Waconized and welcomed 311 new members.

This momentum spurs us as we move forward. It is our plan to continue to provide the best value and member experience, by:

- Expanding account options and offering new products – such as the Mastercard credit cards I mentioned above.
- Eliminating fees and finding ways to return revenue to our most engaged members – as seen in the new features we are adding to our most popular checking account starting next month.
- Developing more online banking and financial wellness tools.
- Having robust cybersecurity measures in place.
- And continuing our community outreach and involvement – such as our partnership with the Waco ISD to provide support to their early childhood development program.

The current financial environment was much better than expected in 2023 – we avoided the recession many pundits predicted – and it looks like those good fortunes will continue throughout 2024. In fact, recently, we've seen incremental progress in the lowering of rates on short term mortgages and we anticipate rates on 30-year mortgages to follow suit in the weeks ahead.

Finally, it is my honor to be serving 1st University Credit Union in my new role as president and CEO. I am committed to continuing the “member-first” approach that our credit union has become known for.

# A VERY SPECIAL THANK YOU TO OUR AMAZING VOLUNTEERS

## Board of Directors

Randy Wood, Chairman  
Kevin Robinson, Vice Chairman  
Sean McMahon, Treasurer/Secretary  
Pearl Beverly  
Stan Denman  
Jorge Vielledent  
Adonna Cook

## Associate Board Members

Julie Holcomb  
Elizabeth Wallace

## ALCO

Sean McMahon, Chair  
Kevin Robinson

## Supervisory Committee

Kevin Robinson, Chair  
Sean McMahon  
Adonna Cook

## Nominations Committee

Jorge Vielledent, Chair  
Adonna Cook

## Personnel Committee

Randy Wood, Chair  
Kevin Robinson  
Pearl Beverly  
Adonna Cook  
Stan Denman

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## Credit Union Staff

Kevin Hood, President and CEO  
Ethel Jennings, EVP, Accounting  
Shelley Carlson, EVP, Marketing  
Patti Parker, VP, Mortgage Services  
Michael Connolly, Sr. Loan Officer  
Connie Hatfield, Mortgage Loan Processor  
Ashley Cathey, Member Services  
Elizabeth Hamilton, Member Services  
Tracey Armstrong, Member Services  
Morgan Schaub, Member Services (Intern)  
Rhonda Shelley, HR (Volunteer)