



2023

ANNUAL REPORT

UnitedTexas
CREDIT UNION

Friendly, Done Right.



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Our Mission

The mission of United Texas Credit Union is to improve the financial well-being of our members and the communities we serve.



2024 Annual Meeting Agenda

- I**..... Registration
- II**..... Call to Order
- III**..... Ascertainment of a Quorum
- IV**..... Minutes from the 2023 Annual Meeting
- V**..... Supervisory Committee's Report
- VI**..... President's Report
- VII**..... Board Member Election
- VIII**..... New Business
- IX**..... Adjournment



Board Chairperson's Report

Welcome to United Texas Credit Union's 69th Annual Membership Meeting. My name is Bill Gregory, and I have had the privilege of serving as your Board Chairperson for the past 10 years.

Our nine-member Board is responsible for establishing policies and steering the organization in the best interests of the membership. Each Board member commits to serving three-year elected terms, guided by the fundamental principle of the credit union movement, which is "People Helping People."

It's important to note that our Board members are dedicated volunteers who generously contribute their time and expertise. This altruistic spirit sets us apart from traditional banks, embodying our commitment to service and community. Their selfless efforts are instrumental in ensuring that United Texas Credit Union remains a premier financial institution for both current and prospective members.

The Board of Directors remains dedicated to the success of United Texas Credit Union and our members. Our mission is to improve the financial well-being of our members and the communities we serve. To accomplish this goal, your participation is vital.

I am grateful for the opportunity to serve as your Chairperson. On behalf of the entire Board, I extend our sincere gratitude for your loyalty and support.

Bill Gregory

Bill Gregory

Board Chairperson (2024)



Your 2023 Board Members



Rick Tobias

1st Vice Chairperson (2025)



James Wheeler

Treasurer (2026)



Richard Baggs

Secretary (2024)



Don Mann

(2025)



Rosaura Ramirez

(2026)



John Rees

(2025)



Anthony Sanchez

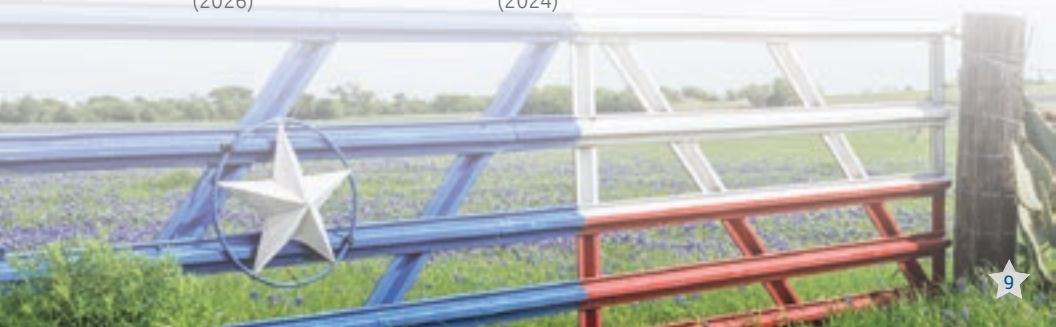
(2026)



Jodie Sanders

(2024)

(Year refers to term expiration date.)



Supervisory Committee's Report

The Board of Directors selects volunteers from the membership and appoints them to serve on the Supervisory Committee. The members perform critical tasks to maintain United Texas Credit Union's operational soundness. These responsibilities include:

- Procuring financial examination services
- Overseeing internal control reviews
- Ensuring adherence to legal requirements and regulations

Through diligent oversight, the committee safeguards members' assets and strengthens the overall stability of the Credit Union.

Central to fulfilling these duties is the execution of comprehensive on-site audits across various operational areas. In 2023, Fisher, Herbst and Kimble, P.C. (FHK) Certified Public Accountants, the Texas Credit Union Department, and American Share Insurance each conducted thorough audits in alignment with regulatory standards. The results affirmed that, in all significant aspects, the financial condition, operations, and cash flows of United Texas Credit Union adhere to generally accepted accounting principles.

The combined efforts of internal and external audits, coupled with the oversight of the Supervisory Committee, have reinforced the financial soundness and security of United Texas Credit Union and our assets. Looking ahead, the Supervisory Committee remains steadfast in our commitment to meeting the expectations of our valued member-owners and the Board of Directors.

This past year, we experienced a profound loss with the passing of one of our committee members, Richard M. Adams. We extend our heartfelt condolences to his family and loved ones. His loyalty and service have left a lasting impact on us all, for which we are grateful.

It has been my privilege to serve as the Chairperson of the Supervisory Committee. On behalf of the committee, I extend our sincere gratitude to United Texas Credit Union's Board of Directors, management and staff for their continued support and collaboration in upholding the highest standards of financial governance and transparency.



Rosaura R. Ramirez

Rosaura R. Ramirez
Supervisory Committee Chairperson

Supervisory Committee Members

Richard M. Adams • Lorraine Lewis • Jody Welchans



President's Report



United Texas Credit Union is a financial institution that stands apart in our commitment to you, our valued members. As a cooperative, every member holds a stake in our success, making us more than just a bank – we are an entity dedicated to your financial well-being and that of the communities we serve.

Financial Performance

In our pursuit of enhancing members' lives, we remain steadfast in delivering superior financial products and services tailored to help you achieve your financial goals. We're grateful you have chosen us as your financial partner. Throughout 2023, United Texas Credit Union experienced continued improvement in our financial performance, driven by strategic initiatives aimed at strengthening our financial standing.

Loans

Loans and investments are our primary revenue streams. Yield on Average Loans increased from 4.37% to 4.93% this year, and Investment Yield increased from 1.79% to 2.17% in 2023. Even with the steady increases in the Prime Rate last year and the commensurate loan rate increases, our loan portfolio grew slightly from \$304.2 million to \$309.8 million, an increase of 1.8%. Decreases in mortgage and real estate loans were offset by increases in home equity lending.

Additionally, I am proud to announce that our focus on loan quality has produced positive results, with loan delinquency standing at just 0.42% of the portfolio. This is a slight increase over last year's 0.35%, and still significantly below our peer average of 0.67%. Furthermore, loan charge-offs remain extremely low at 0.13%, which is only a slight increase over last year's 0.12%. Our creditworthy borrowers, our knowledgeable and dedicated lending team, and our conservative lending philosophy all contribute to a loan portfolio that thrives through all business cycles.

Loans are at the heart of what we do, and they're crucial for your Credit Union's success. We're committed to providing members with the best loan options and service possible. We know that our relentless focus on fair pricing, efficiency, and great service will keep driving loan growth in the future.

Earnings

We consistently strive to generate sufficient income to offer competitive rates on our deposit products and to strengthen our capital position to weather unforeseen circumstances. In 2014, United Texas started on a path to reclaiming net income. Here's a summary of our earnings journey since then:

2014: \$291,157	2019: \$1,010,908
2015: \$776,043	2020: \$1,762,063
2016: \$1,456,488	2021: \$1,988,550
2017: \$887,284	2022: \$3,099,256
2018: \$1,001,944	

In 2023, Net Income was less than last year's amount, but still strong at \$2,365,352. This equates to a Return on Assets ratio of 0.58%, which measures how well the organization is using our assets to generate income. We experienced a slight decline in ROA from 2022's 0.77%. We achieve solid income by establishing a robust loan portfolio that reduces loan losses, making smart investments to generate revenue, and ensuring efficient operations to lower costs. Our emphasis on meeting member needs and following good business practices will keep driving growth for both members and the institution. We are confident that this approach will continue to yield positive results in the future.

Equity

Equity serves as a cornerstone of financial stability, enabling the Credit Union to navigate unforeseen challenges while fostering steady growth. As of December 31, 2023, Total Regulatory Equity was \$36.7 million and stands at 8.9% as a percentage of assets. United Texas Credit Union has continuously increased our Regulatory Capital by maintaining profitability year after year.

Assets

The year 2023 witnessed a 1.4% increase in Assets, reaching \$410.6 million, driven by heightened member savings amid economic uncertainties. Our strategic focus remains on fostering moderate and balanced asset growth aligned with our capital position.

Member Savings

Member confidence in the Credit Union remained strong, as evidenced by a 3.1% increase in Total Member Shares, from \$360 million last year to \$371 million. As a beacon of financial stability, we remain dedicated to providing a secure avenue for our members' savings, exemplifying our conservative and member-centric philosophy. Our goal has remained constant – to pay members the highest dividends possible while at the same time continuing to strengthen the institution. We will continue to focus on controlled savings growth now and in the future.

Products and Services

Amidst the challenges of 2023, we implemented the following initiatives to enhance our offerings:

Social Media: In March, we established new Facebook and Instagram pages for the Credit Union. We urge you to join our community for fun, engaging, and educational content.

Construction Loans: In May, we began offering this type of loan to assist members who choose to build their home. We offer flexible terms with fixed- and adjustable-rate options, interest-only payments for the first 12 months of the term, and three loan options for your convenience.

Home Equity Lines of Credit: Also in May, we started offering HELOCs, which allow members to access the funds from the equity in their homes for almost anything. Rates are lower than a personal loan or credit card, and members only pay on what they borrow or advance.

Telephone System Enhancements: Starting in September, we replaced our phone system to allow staff to serve members more efficiently. One of the improvements is to allow staff and members to text for more immediate communication. In December, we also launched a digital engagement solution that allows us to better serve members who visit our website.

Software Enhancements: Throughout 2023, we worked diligently to upgrade and enhance our capabilities regarding our member relationship management software. These ongoing efforts ensure that we continue to serve members as efficiently as possible.

Member Appreciation Days: In October, we celebrated earning 1,000 five-star Google™ reviews from our members with a series of events at our branches. We're so proud to be able to share this accomplishment, because without you it would not have been possible.

As we embark on the journey ahead, I am confident in the future of United Texas Credit Union. We remain steadfast in our commitment to providing you with unparalleled products and services, all while prioritizing your financial success. Your choice to be a member of United Texas is a testament to our shared vision, and we are honored to serve you and your family.

Thank you for your continued trust and support.

Sincerely,

Kyle D. Ashley

Kyle D. Ashley

President & CEO



Staff

Headquarters Location

5500 UTSA Boulevard
San Antonio, TX 78249

Kyle Ashley

President & CEO

Alfred Saker

Chief Financial Officer

Melissa Petoskey

VP Accounting

Tanner Ashley

Data Analyst

Melodie Flores

Accountant II

Elizabeth Hernandez

Accountant I

Haley Johnson

Special Projects

James Baumann

Chief Lending Officer

Pati Rhodes

VP Consumer Lending
& Compliance

Karina Hernandez

Assistant Branch Manager

JoAnn Guzman

Lending Support Specialist

Raul Meza

Quality Control Auditor

Alexis Pastrano

Financial Services Officer I

Beverley Vidaurri

Title/Insurance
Coordinator

Gordon Chin

E-Branch Manager

Rex Ashley

E-Branch Financial
Services Officer I

Shelby Johnson

E-Branch Financial
Services Officer II

Robert Watkins

E-Branch Financial
Services Officer

McKenzie Gerik

E-Branch Inside Sales
Representative

Jesus Castillo

VP Mortgage

Jon Llanes

Mortgage Loan Officer

Jorge Rocha

Mortgage Loan Officer

Layton Shelton

Mortgage Loan Officer

Amanda Miller

Mortgage Loan
Processor

David Gray

VP Member Business
Lending

Sharon Miller

Member Business
Lending Officer

Denise Swinson

Member Business
Lending Administration

Laura Hickok

Member Business
Lending Coordinator

Jackie Galindo

Member Solutions
Manager

Rachel Castillo

Member Solutions
Representative

Gadiel Munoz

Member Solutions
Representative

Tammie Johnson

Chief Operations Officer

Rosanne Hernandez

VP Member Services

Angela Hodo

Senior Teller/
Administrative Assistant

Jonathon Saldivar

Senior Teller

Brittany Landon

PT Financial Services
Officer

Cade Riha

PT Financial Services
Officer

Jess Serna

Call Center Supervisor

Alicia Seaman

Call Center Supervisor

Noemi Aguilar

Call Center
Representative

Ree Gutierrez

Call Center
Representative

Brenda Hernandez

Call Center
Representative

Maria Perez

Fraud Specialist

Erica Sanchez

Call Center
Representative

Kardiale Arila

PT Call Center
Representative

Miguel Garza

PT Call Center
Representative

Ashley Hernandez

PT Call Center
Representative

Vanessa Montelongo

PT Call Center
Representative

Debra Bradberry

VP Project Specialist

Mario Saldivar

Chief Information Officer

Michael Martinez

IT Systems Administrator

Karla Sarran

Marketing Director

Branch Staff

Medical Center Branch

7318 Louis Pasteur
San Antonio, TX 78229

Lisa Rakus
Branch Manager

Michelle Longoria
Operations Supervisor

Cristina Escobedo
PT Financial Services
Officer

Surangika Wijesundara
PT Financial Services
Officer

1604/Braun Branch

10023 West Loop
1604 North
San Antonio, TX 78254

Adolfo Martinez
Branch Manager

Marcy Trevino
Operations Supervisor

Catherine Aguirre
PT Financial Services
Officer

Gilbert Sanchez
PT Financial Services
Officer

Boerne Branch

1440 South Main
Boerne, TX 78006

Vince Nazario
Branch Manager

Mackenzie Hotze
Assistant Branch
Manager

Keli Ozuna
PT Financial Services
Officer

Jeremy Schreiner
PT Financial Services
Officer

Golden Triangle Branch

5120 Golden Triangle
Boulevard
Fort Worth, TX 76244

Kris Boiles
AVP Member Business
Lending/Branch Manager

Francheska Gonzales
Operations Supervisor

Richard Avina
Financial Services Officer II

Polaris Branch

2595 Polaris Drive
Fort Worth, TX 76137

Crystal Dunn
Assistant Branch Manager

Juana Montalvo
Financial Services Officer II

Kendrea Wilson
Financial Services Officer

LaShonda Holmes
PT Financial Services
Officer

Bailey Meyer
PT Financial Services
Officer

Gerlie Riecker
PT Financial Services
Officer



Statement of Financial Condition

Assets	2023	2022
Cash and Cash Equivalents	\$8,153,897	\$7,204,547
Investments	58,642,099	60,983,157
Loans to Members, Net	309,817,525	304,204,327
Accrued Interest Receivable	1,124,773	977,010
Property and Equipment	16,237,985	16,254,857
American Share Insurance Deposit	4,683,674	4,527,626
Other Assets	11,921,539	10,797,511
Total Assets	\$410,581,491	\$404,949,035
Liability and Members' Equity		
Liabilities		
Member Shares	\$371,255,697	\$360,111,065
Accrued Expenses and Other Liabilities	14,901,000	23,216,000
Net Liabilities	386,156,697	383,327,065
Members' Equity		
Reserves	\$5,282,372	\$5,282,372
Undivided Earnings	19,142,422	16,339,598
Net Reserves	24,424,795	21,621,970
Total Liability and Members' Equity	\$410,581,491	\$404,949,035

Statement of Income

Interest Income	2023	2022
Interest on Loans to Members	\$15,261,386	\$12,123,909
Investment Income	1,332,939	1,167,878
Total Interest Income	\$16,594,324	\$13,291,787
Interest Expense		
Dividends on Members' Shares	\$5,946,407	\$1,820,301
Total Interest Expense	\$5,946,407	\$1,820,301
Net Interest Income	\$10,647,917	\$11,471,486
Provision for Loan Loss	15,935	308,613
Net Interest Income After Provision Expense	\$10,631,982	\$11,162,873
Non-Interest Income		
Fees and Charges	\$1,631,939	\$1,879,553
Miscellaneous Income	2,820,349	3,024,010
Non-Operating Income (Expense)	731,150	277,218
Total Non-Interest Income	\$5,183,438	\$5,180,781
Non-Interest Expense		
Compensation and Benefits	\$6,935,917	\$6,585,361
Operations	6,514,151	6,659,037
Total Non-Interest Expense	\$13,450,067	\$13,244,398
Net Income	\$2,365,352	\$3,099,256

2023 Annual Meeting Minutes

Bill Gregory, Board Chairperson, introduced himself and Kyle Ashley, President & CEO, and welcomed the members to the United Texas Credit Union Annual Membership Meeting. He called the meeting to order and ascertained that a quorum was present so the meeting could proceed.

Bill then referred the attendees to the 2022 Annual Report and asked for a motion to waive the reading of last year's Annual Meeting minutes. The motion carried.

Bill then reviewed the Supervisory Committee Report for the attendees and asked for a motion to approve the report. The motion carried.

Bill introduced the Board of Directors to the attendees.

Bill then continued to the new business – this year's Board nominations. The Board was pleased to submit Rosaura Ramirez, Anthony Sanchez, and Jim Wheeler as nominees for three-year terms on the United Texas Board of Directors.

Bill Gregory asked for a motion to approve the three candidates listed, and the motion carried. Bill congratulated all on their election to the Board of Directors for United Texas.

Bill then turned the meeting over to Kyle Ashley.

Kyle started with the scholarship presentations. He awarded college scholarships to four graduating high school seniors, presenting them with a check for \$1,000 each.

Kyle continued with the President's Report and Financials for 2022.

In 2022, Net Loans increased by over \$58 million, or 23.7%, over the prior year. The majority of this growth was in real estate, home equity, and commercial loans. We also saw increases in most of the other consumer loan categories as well.

Management is committed to generating enough income to pay competitive rates on our deposit offerings and to grow our capital base as a buffer against unexpected events. In 2014, United Texas began to recover our Net Income. Here is a summary of earnings since then:

2014: \$291,157	2018: \$1,001,944
2015: \$776,043	2019: \$1,010,908
2016: \$1,456,488	2020: \$1,762,063
2017: \$887,284	2021: \$1,988,550

In 2022, Net Income increased by 55.9% over the prior year to \$3,099,256. The Return on Assets (ROA) ratio also increased slightly, from 0.56% in 2021 to 0.77% in 2022. The Credit Union's focus on meeting member needs and adhering to sound business practices will continue to drive member and institutional growth.

In 2022, Total Regulatory Equity increased by over \$3 million to \$35.8 million, or 8.9% of assets. The Credit Union's sustained profitability consistently builds Regulatory Capital year after year.

The Credit Union's assets grew from \$382 million to almost \$405 million, which is an increase of 5.9%. This asset growth is being driven primarily by increased member deposits in response to uncertain economic conditions.

Total Member Shares grew by 3.5%, from \$348 million to \$360 million. Members continue to view the Credit Union as a safe, secure avenue to invest their savings. We will continue to focus on steady share growth in 2023 and the coming years.

Kyle then reviewed operational achievements for 2022 including:

- **HomeTraq** – We started offering this service in February. When someone finds a home to tour, they can use the service to schedule and confirm a showing with a network real estate agent in less than five minutes.
- **First Class American Merger** – The data merger between First Class American CU and United Texas CU was completed in March.

- **Stuff the Smart Car** – In July, we held drives for three schools in our markets and, with our members’ support, raised almost \$8,500 towards this effort.
- **Upstart Loans** – We started this partnership in July to provide unsecured loans to people within our field of membership and serve new members unfamiliar with United Texas.
- **Liquid Asset Account** – With deposit rates steadily increasing, this account returned as an additional saving option for members.
- **Day 1 Bags Elf Project** – In November, we conducted a drive for this organization based in Boerne that supplies bags for children in foster care. Our members and staff donated almost \$8,900, which helped 161 children in foster care have a positive holiday experience.

Kyle stated that he is excited for the future of the Credit Union. We will continue to focus on providing members with a full range of products and services on the forefront of the financial industry. We are committed to your financial success and appreciate your choice to be a member.

Kyle thanked everyone for attending and then began the drawings for the door prizes – 30 door prizes of \$100 were awarded.

The Annual Membership Meeting was adjourned at 7:50 pm.





Friendly, done right.

HEADQUARTERS

5500 UTSA Boulevard
San Antonio, TX 78249

Boerne Branch

1440 South Main
Boerne, TX 78006

Medical Center Branch

7318 Louis Pasteur
San Antonio, TX 78229

Polaris Branch

2595 Polaris Drive
Fort Worth, TX 76137

1604/Braun Branch

10023 West Loop 1604 North
San Antonio, TX 78254

Golden Triangle Branch

5120 Golden Triangle Boulevard
Fort Worth, TX 76244

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This institution is not federally insured. Members' accounts are not insured or guaranteed by any government or government-sponsored agency.

