



**BAYLOR HEALTH CARE
SYSTEM CREDIT UNION**

CHAIR'S REPORT

Dear Member-Owner,

I am pleased to report your Baylor Health Care System Credit Union experienced another year of solid financial performance in 2019. The sound performance of our Credit Union benefited you, our member-owners, financially through high dividend rates on deposits, competitive rates on loans, and lower fees for the products and services we offer. In total, Baylor Health Care System Credit Union returned \$153,820 in dividends and made loans totaling \$17,517,854 for homes, new and used cars, credit cards, education expenses, and personal expenses. We were also able to continue providing several products and services at no cost to our members such as Credit Sense, checking with debit cards, Bill Pay, Magic Teller, and mobile banking. We also replaced our entire fleet of free ATM's and converted to a new debit and credit card processor that provides our members with enhanced protections against fraud.

Twenty nineteen has been an exciting year for our credit union in other ways as well. Assets grew to a total of \$76,173,286, deposit balances grew to a total of \$63,185,606, and 421 new members joined our credit union. I hope everyone, and especially our new members, will take full advantage of the products, services, and technology the credit union offers to manage all your financial needs.

In May 2019, we welcomed Andy Reed as our new CEO. Andy brings sixteen years of credit union experience to our team and is a passionate credit union industry advocate. On behalf of the entire Board of Directors, membership, and staff, I want to congratulate Karl Kouns on his retirement and thank him for fifteen years of exceptional leadership, dedicated service, and tireless commitment to our credit union. Karl and Andy worked together on a smooth leadership transition and our credit union earned good reports from both our independent auditors and the Texas Credit Union Department Examiners in 2019.

The future of your Credit Union appears very bright for 2020 and we expect another year of solid financial performance. Among other things, we will continue to enhance our technology delivery tools with the launch of Card Control and a new member website in 2020. And we will continue to offer great rates on deposits, low rates on loans, and many free products and services to enhance your member-owner experience.

On a final note, I would like to thank the employees of the Credit Union, members of the Loan Committee, and the Board of Directors for their cooperation and dedicated service during the past year. We are grateful for your many contributions to our member-owners.

Respectfully submitted,

LaVone Arthur

Chair, Board of Directors

BOARD OF DIRECTORS

LaVone Arthur, <i>Chairman</i>	March 2021
Keith Holtz, <i>Vice Chair</i>	March 2021
Denward Freeman, <i>Director</i>	March 2021
Ray Bunyard, <i>Director</i>	March 2021
Pat Brown, <i>Director</i>	March 2020
Remy Tolentino, <i>Director</i>	March 2020
Bethany Ferguson, <i>Secretary/Treasurer</i>	March 2020

CREDIT COMMITTEE

R. Mike Worst	Andy Reed
Gary Holmes	Carlton Paulson
Karl Kouns	

EXECUTIVE STAFF

Karl Kouns, President/CEO
(through May 17, 2019)

Andy Reed, President/CEO
(effective May 1, 2019)

Carlton Paulson, Chief Financial Officer



Balance Sheet as of December 31

ASSETS	2019
Loans	\$ 39,267,740.50
Allowance for Loan Losses	(223,340.25)
Cash	908,809.78
Investments	28,968,615.31
Other Assets	6,972,975.96
Fixed Assets (net)	278,484.43
Total Assets	\$ 76,173,285.73
LIABILITIES AND EQUITY	
Accounts Payable	142671.57
Dividends Payable	-
Unrealized Gain/Loss Pension	(1,251,593.02)
All Share Accounts	63,185,605.77
Regular Reserves	1,104,312.18
Gain/Loss Exchange or Value CMO	79,169.02
Undivided Earnings	12,913,120.21
Total Liabilities and Equity	\$ 76,173,285.73

STATEMENT OF INCOME

OPERATING INCOME	2019
Interest on Loans	\$ 1,941,887.99
Income from Investments	1,059,914.81
Other Income	738,715.55
Total Operating Income	\$ 3,740,518.35
OPERATING EXPENSE	
Compensation & Benefits	\$ 1,032,058.38
Association Dues	17,724.81
Office Operations Expense	1,117,238.73
Loan Servicing Expense	25,200.81
Professional and Outside Service	61,555.60
Provision for Loan Losses	254,018.29
Member's Insurance	-
Miscellaneous Operating Expense	145,383.40
Total Operating Expense	\$ 2,653,180.02
Non Operating Income (Expense)	(51,868.25)
Total Non Operating Income (Expense)	\$ (51,868.25)
Net Income (Loss)	\$ 1,035,470.08

DISTRIBUTION OF NET INCOME

Dividends Paid to Members	\$ 153,820.34
Transfers to Regular Reserve	-
Transfer to Undivided Earnings	881,649.74
Totals	\$ 1,035,470.08

Loan Balance as of 12/31/19	\$ 39,267,740.50
Number of Members	5,591
Change in Membership	421 new members
Director/Committee Member Fees paid in 2019 was	\$601.75
The amount anticipated to be paid in 2020 is	\$664.85



CREDIT UNION ATM LOCATIONS:

Baylor Health Care System

located outside the
Truett Cafeteria
3510 Gaston Avenue
Dallas, TX 75246

Baylor Health Care System

located in the Roberts
Building next to the Atrium
3510 Gaston Avenue
Dallas, TX 75246

Tom Landry Center

411 N. Washington
Dallas, TX 75246

Baylor in Grapevine

1650 W. College
Grapevine, TX 76051

Baylor in Plano

4700 Alliance Blvd
Plano, TX 75093

Baylor in Carrollton

4343 North Josey Lane
Carrollton, TX 75010

Baylor in McKinney

5252 W. University Drive
McKinney, TX 75071

Baylor Medical Pavilion

3900 Junius St.
Dallas, TX 75246

Baylor Health Care System

located in the Barnett Tower
near the Pharmacy
3600 Gaston Avenue
Dallas, TX 75246

Baylor Heart Vascular Hospital

located in the lobby
621 N. Hall
Dallas, TX 75246

Bryan Tower

2001 Bryan St. 2nd floor
Dallas, TX 75201

Baylor in Irving

1901 N. MacArthur Blvd.
Irving, TX 75061

Baylor in Waxahachie

2400 I-35 North
Waxahachie, TX 75165

Baylor in Plano Heart Center

1100 Allied Drive
Plano, TX 75093

Baylor Outpatient Cancer Center

3410 Worth St.
Dallas, TX 75246

Baylor Heart Hospital Denton

2801 S. Mayhill Road
Denton, TX 76208

Jonsson Hospital

3501 Junius Street
Dallas, TX 75146



**BAYLOR HEALTH CARE
SYSTEM CREDIT UNION**



THE CREDIT UNION DIFFERENCE

Why should I belong to a Credit Union?

Credit unions are not-for-profit financial institutions that exist to **serve members and pay them dividends**, and banks are for-profit institutions that pay declared earnings to stockholders only.

How do credit unions differ from a bank?

- You're a member, not just a customer.
- You'll get better rates.
- You'll pay lower fees.
- You'll receive superb customer service.
- Community comes first with credit unions.

PRODUCTS

Savings

Checking

IRAs

Traditional
ROTH
Educational

Convenience Services

Direct Deposit Notary Services
Drive-up Teller Prepaid Cards
Safe Deposit Boxes

Christmas Club

Loans

New and Used Autos Home Improvement
Mortgage Boat
Home Equity Motorcycle
Personal RV
Share-Secured Land

ONLINE SERVICES

Online Banking

E-Statements

Credit Sense

E-Notifications

Mobile App

E-Alerts

Mobile Banking

1099-INT

Bill Payment

And much more!

Late Charges:

If your payment is 10 days late, you will be charged a late fee of 5% of your payment due.

Collection Costs:

You promise to pay all costs of collecting the amount you owe under this agreement including court costs and reasonable attorney fees.

Services Offered:

Savings, Checking, Christmas Club, IRA Accounts, MasterCard, Home Banking, Bill Payment, Debit Card, and Mortgage Loans.



*Annual Percentage Rates. Rates shown are accurate as of 2/1/19 and may have changed since. Risk based pricing (Actual loan rate may vary based on credit score).