



BAYLOR HEALTH CARE
SYSTEM CREDIT UNION

CELEBRATING
65
YEARS

of
**SERVING
YOU!**



2021 Annual Report

Dear Fellow Member-Owners,

It is my pleasure to report that Baylor Health Care System Credit Union performed very well in 2021 despite facing some of the ongoing challenges and times of uncertainty due to the pandemic. We are proud to announce that our credit union was able to open its lobby doors and create a safe environment for both employees and members to work and bank. We are extremely grateful for the measure of patience that our member-owners granted us as we transitioned to a more remote service environment and then as we responsibly reopened our doors for in person appointments and transactions.

As you will see in the Annual Report, Baylor Health Care System Credit Union performed quite well in 2021. Some of the highlights of that report include:

- Our growth in assets is one of the primary indicators of how well our members are receiving the products and services we offer. Our current **assets are \$91,130,244**, an increase over 2020 of 5 percent.
- Baylor Health Care System Credit Union continues to be a well-capitalized financial institution, with **a strong net worth ratio of 17 percent**. To put that in perspective, a net worth position above 7 percent is considered well capitalized by our regulators.
- Rates on deposits reached approximately **6 times the national average** and member-owners were paid over \$180,000 in dividends.
- 243 new member-owners joined the credit union in 2021 and now stands at **5228 members**.
- We partnered with a new Mortgage loan partner who provides a **much faster and more efficient member experience**.
- We introduced **several new lending products** to better serve our members borrowing needs; The Heart Hospital Certification Loan, Home Equity Loans, Christmas Loan Special, and our Skip-a-Pay program.
- Remote and fee free services including Online Banking, 55,000 free ATM's nationwide, online loans, and Mobile Banking continued to **bring financial services to your fingertips**.

I would like to offer a special thanks to our 5000+ member-owners for their continued loyalty to the credit union. Our credit union remains healthy solely because of your participation. Even during uncertain times, our member-owners continue to demonstrate loyalty and trust in our financial cooperative. Our assets grew over 5% to \$91,130,224 in 2021 and net worth remained very healthy at nearly three times what is required by regulation. As a further example of loyalty, 94% of our \$40M in member-owner loan balances were current and paid as agreed as of December 31, 2021.

You, the member-owners of this institution, have added more than 4226 new loans in 2021 which reflects general optimism in our economy and trust in your credit union. We thank you for that.

Though the credit union needs to make a profit to keep the doors open, our sole interests are our members' interests, and whenever we can, in keeping with our credit union mission, we will distribute profits back to you.

Last year, Baylor Health Care System Credit Union performed so well that we generated \$658,671 in net income in the 12 months that ended 12/31/2021. As a result, we were able to pay out dividends to our members' of \$180,802. This is just one way our members can enjoy the benefits of belonging to a credit union.

As a financial cooperative, we recognize that we most effectively serve you and strengthen the credit union movement when we are actively engaging in the vast network of service groups and organizations that support credit unions. For instance, our membership in Cornerstone League, our regional credit union association, allows us to benefit from the advocacy, education, tools, and resources that are designed to support our endeavors and, by extension, you — our members.

I'd like to recognize my fellow board members for their dedication to this credit union. United in leadership, we are responsible for ensuring your credit union has a capable, qualified, and transparent management team, and I can say without hesitation that we do. The strength of this board's commitment to the highest standards of governance and management is integral to Baylor Health Care System Credit Union's well-being, sustainability, and prosperity.

We've had several changes in leadership, including our new President and CEO, Delana Huling and VP of Accounting, Kelly Burns. Both bring a wealth of knowledge with a combined 50 years of industry experience.

Please indulge me while I take a moment to express my deepest confidence in the leadership of Delana Huling and Kelly Burns, the wisdom and guidance of our esteemed Board of Directors, the commitment of our dedicated staff, and the support and loyalty of our member-owners. We are confident about our future because, as these last few years have shown, Baylor Health Care System Credit Union is well positioned to face any challenge and seize any opportunity that presents itself in the years to come.

Thank you, ladies and gentlemen. I wish you and your families the very best.

Respectfully submitted,
LaVone Arthur
Chair, Board of Directors

Balance Sheet as of December 31

ASSETS

	2021
Loans	\$ 40,304,370.75
Allowance for Loan Losses	(191,202.10)
Cash	1,026,654.03
Investments	36,470,741.32
Other Assets	13,361,659.67
Fixed Assets (net)	158,000.97
Total Assets	\$ 91,130,224.64

LIABILITIES AND EQUITY

Accounts Payable	396,640.59
Dividends Payable	87.08
Unrealized Gain/Loss Pension	(943,141.76)
All Share Accounts	76,383,997.98
Regular Reserves	1,104,312.18
Gain/Loss Exchange or Value CMO	(21,851.69)
Undivided Earnings	14,210,180.76
Total Liabilities and Equity	\$ 91,130,224.64



STATEMENT OF INCOME

OPERATING INCOME

	2021
Interest on Loans	\$ 1,985,865.74
Income from Investments	584,017.68
Other Income	889,519.25
Total Operating Income	\$ 3,459,402.67

OPERATING EXPENSE

Compensation & Benefits	\$ 1,176,830.61
Association Dues	19,198.59
Office Operations Expense	1,165,854.93
Loan Servicing Expense	152,793.15
Professional and Outside Service	74,179.62
Provision for Loan Losses	99,422.06
Member's Insurance	-
Miscellaneous Operating Expense	123,969.54
Total Operating Expense	\$ 2,812,248.50

Non Operating Income (Expense) 11,517.00

Total Non Operating Income (Expense) \$ 11,517.00

Net Income (Loss) \$ 658,671.17

DISTRIBUTION OF NET INCOME

Dividends Paid to Members	\$ 180,802.83
Transfers to Regular Reserve	0
Transfer to Undivided Earnings	477,868.34
Totals	\$ 658,671.17

Loan Balance as of 12/31/20 \$ 40,304,370.75

Number of Members 5,228

Change in Membership 243 New Members

BOARD OF DIRECTORS

LaVone Arthur, <i>Chair</i>	March 2021
Keith Holtz, <i>Vice Chair</i>	March 2021
Denward Freeman, <i>Director</i>	March 2021
Ray Bunyard, <i>Treasurer</i>	March 2021
Pat Brown, <i>Director</i>	March 2022
Remy Tolentino, <i>Director</i>	March 2022
Bethany Ferguson, <i>Secretary</i>	March 2022

CREDIT COMMITTEE

Kelly Burns	Carlton Paulson	Michelle Stanley
Gary Holmes	Andy Reed	

EXECUTIVE STAFF

Carlton Paulson, *CFO last day February 23, 2021*
 Kelly Burns, *VP of Accounting hired March 1, 2021*
 Andy Reed, *President/CEO, last day December 17, 2021*
 Michelle Stanley, *VP Operations, promoted March 1, 2021*

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

Baylor in Grapevine

1650 W. College Street
Grapevine, TX 76051

Baylor in Plano

4700 Alliance Blvd.
Plano, TX 75093

Baylor in McKinney

5252 W. University Drive
McKinney, TX 75071

Baylor Lake Pointe

located inside the ER Lobby
6800 Scenic Drive
Rowlett, TX 75089

Baylor Medical Pavilion

3900 Junius Street
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 Street 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 Street
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-owner, not 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

Card Control

Credit Sense

E-Statements

Mobile App

E-Notifications

Mobile Banking

E-Alerts

Bill Payment

1099-INT

Online Fraud Education Center

