

# 2022 ANNUAL REPORT



BAYLOR HEALTH CARE  
SYSTEM CREDIT UNION



**LaVone Arthur**  
Board Chair

### Chair's Report

As we continue to adjust to a post-pandemic world, Baylor Health Care System Credit Union continues to perform quite well and is diligently working to adapt to this new economic landscape, as we will see in the Annual Report for 2022. Let's look at a few highlights:

One of the primary indicators of how well our members are receiving the products and services we offer is our growth in assets and membership. Our current assets are \$92,098,423, an increase over 2021.

- 245 new-member owners joined the Credit Union in 2022 and now stands at 5,023 members.
- 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 into perspective, a net worth position above 7 percent is considered well capitalized by our regulators.
- In total, our 5,023 members have added more than \$2 million to their savings accounts. With uncertainty in the current economy, the rising cost of food, energy, and gas, along with climbing interest rates, this is encouraging!
- You, the member-owners of this institution, have borrowed more than \$17 million which added more than 1,000 new loans in 2022. Thank you for trusting Baylor Health Care System Credit Union for your lending needs!

I would like to offer a special thanks to our 5,000+ member-owners for their continued loyalty to the Credit Union. Our credit union remains healthy, solely because of your participation. Our success depends on the proactive interest and involvement of our member-owners, and we appreciate each and every one of you for making this a priority.

One of the benefits of credit union membership is the opportunity to share in the profits. Though we do need to cover our operating expenses, our members are always our top priority, 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 generated \$914,495 in net income in the 12 months that ended 12/31/2022. As a result, we were able to pay out \$184,115 in year-end dividends to our members. The opportunity to share in the profits is just one of the unique benefits of credit union membership.

I'd like to recognize my fellow board members for their dedication to this credit union. United in leadership, we are responsible for ensuring that 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.

Please indulge me while I take a moment to express my deepest confidence in the leadership of Delana Huling, 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. The last several years have presented many changes and challenges, and as we've adapted, together we have proven that we are more than capable of facing any new challenges and opportunities we may encounter in 2023.

Thank you,

LaVone Arthur  
Chair, Board of Directors



**Delana Huling**  
CEO at Baylor Health  
Care System CU

### 2022 was our year to shift the financial landscape post Covid.

Since the start of the pandemic, members have recognized and valued the credit union difference, and have appreciated the ways their credit unions have helped them through these past several years with few disruptions. As the financial landscape continues to shift in a post-Covid world, Baylor Health Care System Credit Union is working hard to shift with it and provide the best value and experience possible for our members. The pandemic caused the financial industry to rethink many of its standard business practices, working to come up with innovative and more efficient processes moving forward.

We've worked to:

- Develop more online banking tools.
- Streamline and simplify our processes wherever possible.
- Develop financial literacy resources and tools.
- Have robust cybersecurity measures in place.
- Support advocacy and lobbying efforts on behalf of the credit union community.
- Continue our priority of outreach and involvement in our local communities.

And this is certainly not an exhaustive list.

Thank you for your patience as we navigated through our online banking conversion. Online banking is a critical resource, and this move away from onsite services presents a challenge in order to create an experience that still feels personal, but is also convenient and navigable. More and more members prefer to bank online, and easy-to-navigate websites and apps are a priority, so that even our less tech-savvy members can easily utilize them. Baylor Health Care System continues to find solutions that offer user-friendly, online options with the same personal touch you've come to expect from us for your financial needs.

As your local, BSW Health Credit Union, we are also dedicated to being visible and involved in our local community. To that end, in 2022, we funded 16 loans for over \$350,000 to assist participants in The Plano Heart Hospital certification programs.

And for 2023, we plan to reach out in the following ways:

- Provide quarterly financial literacy workshops virtually and in person
- Partner with BSW Health to assist with financial wellness and onboarding of the International Educated Nurses
- Participate in new hire orientations for BSW Health employees and affiliates
- Partner with BSW Health to better support their community engagement

Meeting the challenges presented by our current economy, political landscape, infrastructure, and environment head on, and working to continue to embrace digital technologies and transform into a modern and flexible business that serves our members and our community, is a top priority for Baylor Health Care System Credit Union. We are your credit union, here to serve you, and we couldn't do it without your input and involvement! As our member-owners, you are integral to our credit union family, and we are sincerely grateful that you've chosen Baylor Health Care System Credit Union as your financial partner. We wish you a healthy and prosperous 2023.

Delana Huling  
CEO, Baylor Health Care System CU

Balance Sheet as of December 31

## ASSETS

	2022
Loans	\$ 46,394,508.98
Allowance for Loan Losses	(201,855.48)
Cash	889,112.86
Investments	29,805,036.83
Other Assets	15,103,021.06
Fixed Assets (net)	108,599.25

**Total Assets** **\$ 92,098,423.50**

## LIABILITIES AND EQUITY

Accounts Payable	200,436.28
Dividends Payable	87.44
Unrealized Gain/Loss Pension	(1,468,376.87)
All Share Accounts	77,887,573.21
Regular Reserves	1,104,312.18
Gain/Loss Exchange or Value CMO	(566,169.74)
Undivided Earnings	14,940,561.00

**Total Liabilities and Equity** **\$ 92,098,423.50**

## STATEMENT OF INCOME

### OPERATING INCOME

	2022
Interest on Loans	\$ 2,073,482.83
Income from Investments	827,841.99
Other Income	793,222.84

**Total Operating Income** **\$ 3,694,547.66**

### OPERATING EXPENSE

Compensation & Benefits	\$ 1,087,156.63
Association Dues	20,687.58
Office Operations Expense	1,147,671.99
Loan Servicing Expense	88,870.02
Professional and Outside Service	71,220.27
Provision for Loan Losses	247,590.44
Member's Insurance	-
Miscellaneous Operating Expense	147,741.83

**Total Operating Expense** **\$ 2,810,938.76**

Non Operating Income (Expense) 30,887.00

**Total Non Operating Income (Expense)** **\$ 30,887.00**

**Net Income (Loss)** **\$ 914,495.90**

### DISTRIBUTION OF NET INCOME

Dividends Paid to Members	\$ 184,115.16
Transfers to Regular Reserve	0
Transfer to Undivided Earnings	730,380.74

**Totals** **\$ 914,495.90**

Loan Balance as of 12/31/20 \$ 46,394,508.98

Number of Members 5,023

Change in Membership 245 New Members



**BAYLOR HEALTH CARE  
SYSTEM CREDIT UNION**

## BOARD OF DIRECTORS

LaVone Arthur, <i>Chair</i>	2023
Keith Holtz, <i>Vice Chair</i>	2023
Denward Freeman, <i>Director</i>	2023
Ray Bunyard, <i>Treasurer</i>	2023
Pat Brown, <i>Director</i>	2024
Remy Tolentino, <i>Director</i>	2024
Bethany Ferguson, <i>Secretary</i>	2024

## CREDIT COMMITTEE

Kelly Burns	Michelle Stanley	Gary Holmes
Delana Huling		

## EXECUTIVE STAFF

Kelly Burns, <i>VP of Accounting</i>
Delana Huling, <i>President/CEO, hired May 23, 2022</i>
Michelle Stanley, <i>VP of Operations, last day October 19, 2022</i>

## CREDIT UNION ATM LOCATIONS:

### Baylor University Medical Center

3510 Gaston Avenue  
Dallas, TX 75246

*\*located outside the  
Truett Cafeteria*

### Baylor University Medical Center

3510 Gaston Avenue  
Dallas, TX 75246

*\*located in the Roberts Building  
next to the Atrium*

### Baylor University Medical Center

3501 Junius Street  
Dallas, TX 75246

*\*located in the Jonsson Hospital*

### Baylor University Medical Center

3600 Gaston Avenue  
Dallas, TX 75246

*\*located in the Barnett Tower  
near the Pharmacy*

### BSW Administrative Building

301 N. Washington Avenue  
Dallas, TX 75246

### Baylor Heart & Vascular Hospital

621 N. Hall  
Dallas, TX 75246

*\*located in the lobby*

### Baylor Medical Pavilion

3900 Junius Street  
Dallas, TX 75246

### BSW – Sammons Cancer Center

3410 Worth Street  
Dallas, TX 75246

### BSW – The Heart Hospital Plano

1100 Allied Drive  
Plano, TX 75093

### BSW – The Heart Hospital Denton

2801 S. Mayhill Road  
Denton, TX 76208

### BSW – Grapevine

1650 W. College Street  
Grapevine, TX 76051

### BSW – Irving

1901 N. MacArthur Blvd.  
Irving, TX 75061

### BSW – Lake Pointe

6800 Scenic Drive  
Rowlett, TX 75089

*\*located inside the ER Lobby*

### BSW – McKinney

5252 W. University Drive  
McKinney, TX 75071

### BSW – Plano

4700 Alliance Blvd.  
Plano, TX 75093

### BSW – Waxahachie

2400 I-35 North  
Waxahachie, TX 75165



**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**. 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

