



P.O. Box 1089, Austin, TX 78767
velocitycu.com

Downtown
705 East
12th Street
Austin, TX
78701

North Austin
1201 West
Braker Lane
Austin, TX
78758

Round Rock
900 West
Round Rock Ave.
Round Rock, TX
78681

South Austin
9300 South IH-35
(at Slaughter Lane)
Austin, TX
78748

Brodie Oaks
4220 South Lamar
Blvd., Suite 100
Austin, TX
78704

Cedar Park
1230 East
New Hope Dr.
Cedar Park, TX
78613

Board of Directors

Kasha Bartholomew
Chairperson
Term expires April 2023

L. Joe Putman
First Vice Chair
Term expires April 2024

Thomas Matthews
Second Vice Chair
Term expires April 2023

John Chomout
Secretary/Treasurer
Term expires April 2025

Mary Paredes
Member
Term expires April 2024

James Chapman
Member
Term expires April 2023

Eric Wise
Member
Term expires April 2024



Annual Report 2022



Velocity
CREDIT UNION

Report from Board Chair and President

To our valued members:

The board of directors and employees of Velocity Credit Union are pleased to report another year of upholding our commitment to the ideals of the credit union movement, while providing you, our members, a secure financial institution and local banking alternative.

Despite a tightening economy, Velocity Credit Union had another successful year and remains healthy and stable. As of December 2022, Velocity was very well-capitalized with a net worth of 14.80%. Total consolidated assets at year end were \$1 billion. Our return on assets was .51%. Velocity Credit Union is financially very sound with one of the strongest capital positions in the industry.

In September 2022, we began to celebrate our 75th anniversary of helping members in the greater Austin area achieve their financial goals. But we're not resting on that solid foundation and our past successes. We have continued to grow, becoming a full-service mortgage provider — expanding our home lending staff and offering conventional mortgages (including jumbo loans), refinancing, and home equity and improvement loans.

As pandemic restrictions lifted and in-person gatherings returned, we continued to support our long-time charitable partners including the Central Texas Food Bank, Humane Society, CASA for Children, United Way of Greater Austin, Operation Blue Santa, and Habitat for Humanity.

Last year, we served more than 83,000 members. We value each one of you — and we count on your participation as part of the cooperative that makes us who we are.

Velocity's commitment is to provide you with the best customer service experience possible, whether that's through our personal service or more high-tech conveniences. We appreciate the faith you place in us to meet your financial needs and will continue to work hard to make Velocity Credit Union worthy of being your trusted financial partner for years to come.

Sincerely,
Kasha Bartholomew
Board Chair

Debbie Mitchell
President/CEO

Lending Report

In 2022 the credit union granted nearly 8,000 member loans. Loan advances totaled \$278.4 million and, at year-end, loans outstanding stood at \$580.7 million. We remain fully committed to ensuring a fair-minded and unbiased lending process for all members of the credit union. Thank you for allowing Velocity to serve your lending needs.

Nominating Committee's Report

The bylaws of the credit union call for a nominating committee to be appointed by the board of directors each year for the purpose of interviewing candidates for election to the board of directors. The process included careful screening of all candidate qualifications. Based on the review process, which considers both qualifications and willingness to serve, the names below were placed in nomination for available positions on the board of directors. I wish to thank the other members of the nominating committee who contributed their time and talents in fulfilling the committee's responsibility of offering qualified nominees to fill board positions. Other members of the nominating committee were L. Joe Putman and Mary Paredes.

John Chomout, *Chairperson*

Nominating Committee Candidates: *Doug Skolaut, Kasha Bartholomew, Tom Matthews*

Changes in Senior Management

New Hires:

Jim Brown, Executive Vice President/Chief Lending Officer

Chris Clark, VP, Accounting and Finance

Promotions:

Thomas Terry, VP, Member Services

Separations:

Camille Ballou, VP, Accounting and Finance

Greg Shaver, Chief Lending Officer

Changes in Bylaws, 2022

Bylaw Section 5.01, Number of Directors

75th Annual Meeting Order of Business

Statement of Condition

<i>Assets</i>	December 2021	December 2022
Cash and Investments	\$421,185,046	\$378,657,678
Shares in Other Credit Unions	600,000	600,000
Total Loans to Members, Net	557,748,555	575,063,525
Collateral in Process of Liquidation	538,706	808,777
Other Receivables	1,091,033	1,078,779
Accrued Interest on Investments	367,725	480,423
Accrued Interest on Loans	1,764,399	1,914,182
Other Prepaid & Deferred Expenses	1,241,550	1,619,330
Land & Building	43,324,724	42,471,686
Furniture, Fixtures & Equipment	11,693,714	9,615,346
Other Assets	25,791,785	28,614,530
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Total Assets	\$1,065,347,237	\$1,040,924,256
<i>Liabilities & Equity</i>		
Accounts Payable	\$2,903,988	\$2,681,332
Dividends Payable	153,400	149,062
Other Accrued Expenses	4,332,814	4,922,004
Deferred Income	157,323	92,083
Deferred Long-term gains	1,481,924	1,232,929
Member Deposits	918,329,146	916,122,461
Undivided Earnings	148,582,947	154,069,994
Unrealized Gain (Loss) on		
Available for Sale Securities	(3,374,836)	(35,200,128)
Pension Plan Gain/(Loss)	(7,219,469)	(3,145,481)
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Total Liabilities & Equity	\$1,065,347,237	\$1,040,924,256

2022 Loan Review

<i>Loan Type</i>	Number of Loans Outstanding	Dollar Amount Outstanding
New Auto & Truck	4,700	\$123,533,129
Used Auto & Truck	11,661	249,028,719
Unsecured	12,383	40,605,001
Certificate Secured	52	347,527
Share Secured	2,293	8,642,206
New & Used Boats	33	672,835
New Household Goods	1	2,947
Owner Occupied Real Estate	98	45,938,559
Home Improvement	332	11,253,067
Home Equity	427	21,754,562
Other Real Estate	724	74,319,312
Commercial Loans	9	1,807,575
Other Loans	156	2,838,088
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Grand Total of Outstanding Loans	32,869	\$580,743,525
Allowance for Loan Loss		(5,680,000)
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Total Loans, Net		\$575,063,525

April 25, 2023

- I. Welcome and Introduction
Kasha Bartholomew, chair, board of directors
- II. Invocation
- III. Meeting Called to Order
Kasha Bartholomew
- IV. Approval of Minutes from 74th Annual Meeting
Kasha Bartholomew
- V. Presentation of Chairman and President's Report
- VI. Unfinished Business
- VII. New Business
 - A. New Business other than Elections
 - B. Nominating Committee Report
- VIII. Adjournment

Income Statement

December 31, 2022

Interest Income	
Loan Interest	\$26,102,509
Investments	6,138,499
Total Interest Income	\$32,241,008
Interest Expense	
Members' Shares and Deposit Accounts	(\$2,687,430)
Borrowings	(119)
Total Interest Expense	(\$2,687,549)
Net Interest Income Before Provision for Loan Losses	\$29,553,459
Provision for Loan Losses	(1,868,920)
Provision for Share Losses	(186,751)
Net Interest Income After Provision for Losses	\$27,497,788
Operating Income	
Fee Income	\$5,977,265
Other Operating Income	8,378,019
Total Operating Income	\$14,355,284

Operating Expense	
Employee Compensation	(\$15,301,950)
Employee Benefits	(5,001,876)
Travel and Conference	(99,135)
Association Dues	(65,537)
Office Occupancy	(3,946,278)
Office Operations	(6,631,933)
Education and Promotion	(855,241)
Loan Servicing	(1,506,129)
Professional and Outside Services	(1,417,293)
Federal Supervision and Examination	(74,077)
Cash Short and Over	544,966
Member Demand Deposit Services	(3,777,444)
Other Operating Expense	(323,507)
Total Operating Expense	(\$38,455,433)
Non-Operating Income and Expense	
Gain and Loss on Fixed Asset Dispositions	556,184
Other Non-Operating Income	1,533,225
Total Non-Operating Income and Expense	\$2,089,408
Net Income	\$5,487,047

The board of directors provides oversight of the Credit Union's financial reporting process. As part of the oversight process, the board independently selects a certified public accounting firm to satisfy the annual audit requirement in accordance with Part 715 of the NCUA Rules and Regulations. Management is responsible for the financial statements and the financial reporting process, including internal controls. In fulfilling its oversight responsibilities, the board discussed the financial statements in the annual report with management, including a discussion of the quality, not just the acceptability, of the accounting principles; the reasonableness of significant judgments; and the clarity of disclosures in the financial statements.

Minutes of the 74th Annual Meeting

The 74th Annual Meeting of the Credit Union was held Tuesday, April 26, 2022 via Zoom webinar. There were 38 members in attendance.

I. WELCOME AND INTRODUCTION

James Chapman, board chairman, welcomed all members and guests of the Credit Union. Mr. Chapman announced that he had appointed Kaitlin Strosser as parliamentarian and recording officer. He also stated that the meeting would be conducted according to Robert's Rules of Order. Mr. Chapman introduced staff and members of the board of directors: Kasha Bartholomew, 1st vice chair; Thomas Matthews, 2nd vice chair; John Chomout, secretary/treasurer; Mary Paredes, director; L. Joe Putman, director; Debbie Mitchell, president/CEO, Lisa Back, EVP/CFO, and Greg Shaver, CLO.

II. INVOCATION

Debbie Mitchell, president/CEO of Velocity, gave the invocation.

III. MEETING CALLED TO ORDER

James Chapman stated that he had been informed a quorum was present and called the business meeting to order at 12:00 p.m.

IV. APPROVAL OF MINUTES

James Chapman reported that the minutes of the April 27, 2021 Annual Meeting were printed in the Annual Report and asked if there were any comments or questions. There being none, a motion was made by Tom Matthews and duly seconded by Mary Paredes to approve the minutes as printed. The motion carried unanimously.

V. PRESENTATION OF CHAIRMAN AND PRESIDENT'S REPORT

James Chapman, chairman, stated that the Chairman and President's Report was printed in the annual report. There being no questions, the report was accepted as submitted.

VI. UNFINISHED BUSINESS

There were no items of unfinished business to be considered by the members.

VII. NEW BUSINESS

A. New Business Other Than Elections

James Chapman asked if there were any new business items, other than elections, to be submitted.

There were no new business items to be considered by the members.

B. Nominating Committee Report

Kasha Bartholomew reported that the nominating committee was formed in the fall of last year to interview candidates for positions on the board of directors. She thanked the members of the nominating committee for serving Velocity in this important capacity.

Ms. Bartholomew made a motion to re-elect John Chomout to the board of directors for the regularly expiring three-year terms. L. Joe Putman seconded this motion. James Chapman declared each nominee elected by general consent.

VIII. ADJOURNMENT

There being no further business, the meeting was adjourned at 12:08 p.m.

KASHA BARTHOLOMEW
Chairperson

L. JOE PUTMAN
Secretary/Treasurer