



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 2026

John Chomout
First Vice Chair
Term expires April 2025

Thomas Matthews
Second Vice Chair
Term expires April 2026

L. Joe Putman
Secretary/Treasurer
Term expires April 2024

Mary Paredes
Director
Term expires April 2024

Doug Skolaut
Director
Term expires April 2026

Eric Wise
Director
Term expires April 2024



Annual Report 2023



Velocity
CREDIT UNION

Chairman and President's Report

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.

In a stubbornly challenging economy, Velocity Credit Union had another successful year and remains healthy and stable. As of December 2023, Velocity was very well-capitalized with a net worth of 13.93%. Total consolidated assets at year end were \$1 billion. Velocity Credit Union is financially secure with one of the strongest capital positions in the industry.

We concluded our 75th year of helping members in the greater Austin area achieve their financial goals with a number of new benefits and services. We partnered with Greenlight, the free debit card and app that helps parents raise financially-smart kids.

We now offer merchant services products from Clover to our business members, along with a new Business Mastercard credit card with free rewards.

The staff in our mortgage lending department continues to grow, helping our members seeking conventional mortgages (including jumbo loans), refinances, and home equity and improvement loans to take advantage of the improving housing market.

And in mid-December, we implemented Savvy Money — a free service through online banking. It shows your current credit score, offers strategies for improving it, provides credit monitoring and alerts, and shows you how to save money by presenting you with lower loan rate options tailored to your needs.

On the community front, we're happy to continue supporting Operation Blue Santa and Habitat for Humanity's "House That Credit Unions Built". Giving back to our community is one of our favorite things! Last year, we served more than 81,000 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
Chairperson of the board

Debbie Mitchell
President/CEO

Lending Report

In 2023 the credit union granted nearly 8,000 member loans. Loan advances totaled \$268.2 million and, at year-end, loans outstanding stood at \$614.8 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 Tom Matthews and Doug Skolaut.

Kasha Bartholomew, *Chairperson*

Nominating Committee Candidates: *Mary Paredes, L. Joe Putman, Eric Wise*

Changes in Senior Management

Promotions:

Austin Ahlrich, Sr. VP Operations
Henry Belk, VP of Information Technology
Chris Clark, Sr. VP of Accounting and Finance

Separations:

Lisa Back, Executive Vice President/Chief Financial Officer

Changes in Bylaws, 2023

None

76th Annual Meeting Order of Business

Statement of Condition

Assets	December 2022	December 2023
Cash and Investments	\$378,657,678	\$347,617,223
Shares in Other Credit Unions	600,000	600,000
Total Loans to Members, Net	575,063,525	597,484,544
Collateral in Process of Liquidation	808,777	1,557,173
Other Receivables	1,078,779	3,445,677
Accrued Interest on Investments	480,423	514,055
Accrued Interest on Loans	1,914,182	2,270,818
Other Prepaid & Deferred Expenses	1,619,330	1,753,031
Land & Building	42,471,686	41,963,118
Furniture, Fixtures & Equipment	9,615,346	7,796,608
Other Assets	28,614,530	34,073,177
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Total Assets	\$1,040,924,256	\$1,039,075,424
Liabilities & Equity		
Accounts Payable	\$2,681,332	\$3,053,819
Dividends Payable	149,062	538,751
Notes Payable	0	50,000,000
Other Accrued Expenses	4,922,004	5,192,104
Deferred Income	92,083	53,486
Deferred Long-term gains	1,232,929	983,934
Other Liabilities	0	0
Member Deposits	916,122,461	861,752,653
Undivided Earnings	154,069,994	144,751,414
Unrealized Gain (Loss) on		
Available for Sale Securities	(35,200,128)	(30,374,177)
Pension Plan Gain/(Loss)	(3,145,481)	3,123,440
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Total Liabilities & Equity	\$1,040,924,256	\$1,039,075,424

2023 Loan Review

Loan Type	Number of Loans Outstanding	Dollar Amount Outstanding
New Auto & Truck	4,207	\$128,507,294
Used Auto & Truck	11,928	273,203,029
Unsecured	14,678	54,915,922
Certificate Secured	59	633,196
Share Secured	2,350	9,147,737
New & Used Boats	30	671,827
New Household Goods	1	1,823
Owner Occupied Real Estate	104	47,433,573
Home Improvement	283	9,206,436
Home Equity	455	23,330,239
Other Real Estate	629	64,226,896
Commercial Loans	7	828,597
Other Loans	152	2,739,468
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Grand Total of Outstanding Loans	34,883	\$614,846,038
Allowance for Loan Loss		(17,361,494)
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Total Loans, Net		\$597,484,544

April 30, 2024

- I. Welcome and Introduction
Kasha Bartholomew, chair, board of directors
- II. Invocation
- III. Meeting Called to Order
Kasha Bartholomew
- IV. Approval of Minutes from 75th 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, 2023

Interest Income	
Loan Interest	\$31,070,564
Investments	11,626,000
Total Interest Income	\$42,696,563
Interest Expense	
Members' Shares and Deposit Accounts	(\$5,956,943)
Borrowings	(2,104,946)
Total Interest Expense	(\$8,061,888)
Net Interest Income Before Provision for Loan Losses	\$34,634,675
Provision for Loan Losses	(6,927,255)
Provision for Share Losses	(125,653)
Net Interest Income After Provision for Losses	\$27,581,767
Operating Income	
Fee Income	\$6,257,842
Other Operating Income	8,297,035
Total Operating Income	\$14,554,877

Operating Expense	
Employee Compensation	(\$16,912,163)
Employee Benefits	(4,560,390)
Travel and Conference	(96,048)
Association Dues	(72,787)
Office Occupancy	(4,263,480)
Office Operations	(6,904,543)
Education and Promotion	(743,444)
Loan Servicing	(1,652,166)
Professional and Outside Services	(1,562,550)
Federal Supervision and Examination	(72,809)
Cash Short and Over	(77,287)
Member Demand Deposit Services	(4,227,697)
Other Operating Expense	(157,656)
Total Operating Expense	(\$41,303,021)
Non-Operating Income and Expense	
Gain and Loss on investments	\$0
Gain and Loss on Fixed Asset Dispositions	89,556
Other Non-Operating Income	535,553
Total Non-Operating Income and Expense	\$625,109
Net Income	\$1,458,733

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 75th Annual Meeting

The 75th Annual Meeting of the Credit Union was held Tuesday, April 25, 2023 at Velocity Quarry Lake Headquarters. There were 49 members in attendance.

I. WELCOME AND INTRODUCTION

Kasha Bartholomew, board chairperson, welcomed all members and guests of the Credit Union. Mrs. Bartholomew announced that she had appointed Amanda Robbins as parliamentarian and recording officer. She also stated that the meeting would be conducted according to Robert's Rules of Order. Mrs. Bartholomew introduced staff and members of the board of directors: Thomas Matthews, 2nd vice chair; L. Joe Putman, secretary/treasurer; Mary Paredes, director; Eric Wise, director; and Debbie Mitchell, president/CEO.

II. INVOCATION

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

III. MEETING CALLED TO ORDER

Kasha Bartholomew stated that she had been informed a quorum was present and called the business meeting to order at 12:00 p.m.

IV. APPROVAL OF MINUTES

Kasha Bartholomew reported that the minutes of the April 26, 2022 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

Kasha Bartholomew 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

Kasha Bartholomew 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

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

Mr. Putman made a motion to elect Kasha Bartholomew, Thomas Matthews, and Doug Skolaut to the board of directors for the regularly expiring three-year terms. Mary Paredes seconded this motion. Kasha Bartholomew declared each nominee elected by general consent.

VIII. ADJOURNMENT

There being no further business, the meeting was adjourned at 12:05 p.m.

KASHA BARTHOLOMEW
Chairperson

L. JOE PUTMAN
Secretary/Treasurer